Libertarian Review

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ROTHBARD ON MISES

A Revisionist View of Soviet Foreign Policy

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Libertarian Review

April 1978

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Editorials

The night of the bandits

That hated day is upon us again—April 15th. That is the date by which the American people must either pay up or run for cover, the deadline for payment of their "taxes," that venal tribute which robs them of their rightful earnings day after day, month after month, year after year, lifetime after lifetime. Taxation in America today has reached unpitying proportions, and the people of this nation find themselves staggering ever more under its weight. But the cruelty and venality of the tax collectors knows no civilized limits. Political leaders come before us and pledge to reduce the awesome burden; no one takes them as anything but filthy liars. They are not willing to acknowledge the right of people to keep what they earn; they are not willing to cut back on their spurious "programs" which—virtually without a notable exception—are leading to the ruin of society and economy alike; they are not willing to stop oppressing the American people.

To reduce taxation in America today we must be ruthless both in describing the activities of the government and in describing the nature of taxation itself. Only when the American people understand that the programs dragged before their eyes as the solutions to every conceivable problem merely make matters worse, while benefitting a small, privileged elite at the expense of the majority, can we abolish these destructive functions of government. Only when the brutal truth about taxation itself is understood will the American people begin to see that the reduction in the size of government and in taxation must be regarded today as virtually an end in itself. Those who wish to grasp fully the inner essence of taxation can do no better than to read and reread the classic passage from *No Treason*, by the great libertarian Lysander Spooner, which cuts through lifetimes of obfuscation and confusion:

"It is true that the *theory* of our Constitution is, that all taxes are paid voluntarily; that our government is a mutual insurance company, voluntarily entered into by the people with each other; that each man makes a free and purely voluntary contract with all others who are parties to the Constitution, to pay so much money for so much protection, the same as he does with any other insurance company; and that he is just as free not to be protected, and not to pay tax, as he is to pay a tax, and be protected.

"But this theory of our government is wholly different from the practical fact. The fact is that the government, like a highwayman, says to a man: "Your money, or your life." And many, if not most, taxes are paid under the compulsion of that threat.

"The government does not, indeed, waylay a man in a lonely place, spring upon him from the roadside, and, holding a pistol to his head, proceed to rifle his pockets. But the robbery is none the less a robbery on that account; and it is far more dastardly and shameful.

"The highwayman takes solely upon himself the responsibility, danger, and crime of his own act. He does not pretend that he has any rightful claim to your money, or that he intends to use it for your own benefit. He does not pretend to be anything but a robber. He has not acquired impudence enough to profess to be merely a "protector," and that he takes men's money against their will, merely to enable him to "protect" those infatuated travellers, who feel perfectly able to protect themselves, or do not appreciate his peculiar system of protection. He is too sensible a man to make such professions as these. Furthermore, having taken your money, he leaves you, as you wish him to do. He does not persist in following you on the road, against your will; assuming to be your rightful "sovereign," on account of the "protection" he affords you. He does not keep "protecting" you, by commanding you to bow down and serve him; by requiring you to do this, and forbidding you to do that; by robbing you of more money as often as he finds it for his interest or pleasure to do so; and by branding you as a rebel, a traitor, and an enemy to your country, and shooting you down without mercy, if you dispute his authority, or resist his demands. He is too much of a gentleman to be guilty of such impostures, and insults, and villainies as these. In short, he does not, in addition to robbing you, attempt to make you either his dupe or his slave."

When they realize that they have had enough, and that there is *no reason* to suffer the treatment that they get at the hands of the government, the American people will take their first step down the road of that rebellion against taxation and regimentation which will find, at its end, true individual liberty. They have done it before; they must do it again.

Left and Right: The case for an eclectic strategy

In the February issue of Reason magazine, there appears a "Viewpoint" column by Edith Efron which has stirred up a storm of controversy: "Warning to Constitutional Republicans." Beneath a pile of "factoids," as Norman Mailer used to call them, and an astonishing degree of selectivity in presenting portraits of both the Left and the Right—some of which are analyzed by David Ramsay Steele elsewhere in this issue—there lies a single point which is at the heart of the issue: Because the Left is anticapitalist, a libertarian "can never rationally ally himself with the Left." Passing by her most blatant slandering of the Left (she claims, for example, that the Left "evades mass murder in Cambodia," when the truth of the matter is that there has been far more in the way of exposes of Cambodia in leftist publications like *The New York Review* than in a whole stack of right-wing publications), let us take up this strategic point in some detail.

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The fact of the matter is that libertarianism as an ideology cuts across the political spectrum. Our principled adherence to the nonagression principle—which opposes the initiation of physical force to gain ends in society—means that we are principled advocates of private property and *laissez-faire,* civil libertarians opposed to victimless crime laws and other violations of civil liberties, and are opposed to militarism and foreign interventionism. We share some concerns with elements in the Left, other concerns with elements in the Right. Our opposition to the draft did not lead us to endorse plans for compulsory national service; our opposition to the war in Vietnam did not lead us to take up the call for government-enforced boycotts of South Africa or Rhodesia; our opposition to OSHA did not lead us to call for pouring more government money into the arts; our hatred for Communism has not seen us endorsing jingoism or global interventionism; our demand that the rights of gays and other cultural minorities be respected in full and immediately had not led us to advocate antidiscrimination ordinances which would prohibit private discrimination. We dance to nobody's tune. We are not ashamed of the fact that we are neither Left nor Right, but rather represent a radical rethinking of political issues. We are proud of our independence and rejection of incoherent, conventional package deals.

But this very fact that libertarianism is neither Left nor Right creates a paradox: *because* libertarianism is *neither,* it must seek allies from *both.* In a complex society, goals are served in complex ways. That is a fact of reality. To achieve our purposes, we must be able to incorporate into our plans the *complementary* actions of others, necessarily including those who do not share our ultimate ends or motives. We ought to learn a lesson from Austrian economics: In a complex society goals are *never* achieved only by the actions of those whose plans are identical. For their achievement, goals require the actions of those for whom the attainment of our libertarian ends has no importance. It is not their intent that we should achieve what we strive for; but that consequence may very well be in part the *result,* the *unintended consequence* of their actions nevertheless. Let us take advantage of that fact; anything less simply ignores the nature of the market economy, and the advantages which it brings to us.

In forming alliances with various individuals or even groups (The Committee to Stop Government Spying, NORML, in supporting the Jarvis tax-limitation initiative in California, or in supporting a group opposing Carter's energy program, for example), we should do so on *specific issues* that will advance libertarianism. Moreover, in forming such *ad hoc* alliances, we should focus on *our own* goals, not those of others. It is for the *very purpose* of underlining our own *independent* political position that we ought to ally with elements across the political spectrum. In an age of stale, boring, conventional viewpoints, we should flaunt our own unconventionality. The American people are crying out for an alternative. We must advertise that *we* are different, working with a great variety of those who share our particular positions on specific issues, pressuring divergent groups continually.

Moreover, these criss-crossing alliances, on an *ad hoc* basis, will increase our credibility by showing that we mean what we say when we defend individual liberty across the board.

Above all, we must not be afraid to join hands temporarily with those whose other views we find repugnant. We must show that we are unafraid of their errors, and that we are fully confident that we are right, that we will win. We must develop and sustain the will to achieve liberty, the *will to victory.* If we continually focus on the motives and goals of *others,* rather than on how they fit in with a pursuit of *our own* goals and values, we shall, quite simply, never achieve anything.

In a very important and fundamental sense, Edith Efron's approach to strategy is *profoundly altruistic.* Consider, if she had her way. We could not march in public against the Vietnam War, because someone might hoist a Vietcong flag. We cannot demonstrate against laws that restrict the individual rights of gays, because fellow demonstrators might be egalitarians. We cannot publicly express our outrage at the vicious drug laws of this country, because drug users are part of the hatred "counter-culture." We could not have marched against the draft, against slavery, because some fellow marchers might be communists.

Given such a view, what issues could we *not* be frightened away from? How could a libertarian *ever* rise to a position of leadership motivated by such foreboding? Shall we abandon the fight for airline deregulation, just because Edward Kennedy has gotten aboard that particular bandwagon? Shall we announce to scoundrels that they can paralyze us in our pursuit of liberty at the drop of a hat?

Anyone who takes Edith Efron's approach is in face being a profound second-hander—motivated not by positive values of their own, but by a reaction *against* the motives of others—taking the values of *others* as primary. But it is not the political *alliance* which is of prime importance; it is the political *end* being sought. In a complex world, some of our particular ends *have* to be achieved with the help of those who do not share *other* ends.

Time and again, statism has triumphed in history because statists have managed, on issue after bloody issue, to manipulate people, to split what we might call the "natural opposition constituency," that natural constituency which, from across the spectrum, every corner of the nation, *might have*—had it come together in time—*blocked* violation after violation of the liberties and rights of the American people. The rulers of this nation want desperately to keep conventional categories *rigid,* to keep Left and Right apart, to prevent any coalition that might—just *might*—begin the long, slow, tedious process of *rolling back state power* in this once-proud nation. Edith Efron has played into their hands, with a virtuoso performance. Don't work with the Left to roll back the military, she declares! Don't work with the Left to halt censorship! Don't work with the Left to expose the illegalities of the FBI and CIA! Don't oppose foreign dictatorships which are "pro-American" (and what a line *that* is!). Don't

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work with the counter-culture to abolish the drug laws! Don't work with the Left to expose business-government ties and corruption, even if you *do* make it crystal clear that you are for *laissez-faire*. How far is it from there to impassioned cries not to work with those who are for deregulating the American economy, because some are for it in order to wound big business, by restoring free competition?

Indeed, is there any issue from which we could *not* be frightened away on such grounds?

The result of Edith Efron's "strategy" would be to produce—as it already has among far too many who already believe in it—a profound paralysis, a sense of helplessness. And that sense would reflect reality precisely, because they would be announcing to the world that the way for *anyone* to stop them from achieving their goals would be to adopt the same end, for reasons they find repugnant. They would then abandon the battle.

And that, sadly, is precisely how Edith Efron operates. Because her attitude toward the Left is one of repugnance, there is scarcely one key issue that she is not willing to grant to Leftists, abandoning any struggle for real leadership in those areas where basic libertarian values are at stake.

Edith Efron paves the way for Leftist victories just because she hates them, paradoxically enough. She acts to create a leadership vacuum in those areas where libertarians *agree* with them. But this means nothing less than that the Left will *necessarily* rise to leadership in *any* movement or crusade where libertarian goals that they also share are at stake. Her "strategy" will produce the opposite of her intentions. Beginning with a vision of liberty and capitalism, she will give up precisely to the degree that the Left sides with her on specific issues. *That* is the nature of her "warning." It is a prescription for revulsion, paralysis, cowardice, and defeat. It is a confession of emotional exhaustion, of the desire not to have to struggle for our ideals anymore. It is profoundly evasive of the facts of reality.

If Edith Efron were listened to, the result would be an intensifying paralysis in the libertarian movement which thus would rapidly shrink in size and influence. All the progress of the past few years would be abandoned. She herself is not totally paralyzed *only* because she manages a highly selective focus on aspects of the Right, evading whole chunks of their beliefs, so that she can continue to deal with them.

But all this does not result from a "commitment to affirmative values." It is not a point reached because of "reverence." It is the result of fear, and of a profound paranoia. The panic results from a fear that if we libertarians work with the Left on some issues, *our* actions will somehow benefit *them*. One can almost hear Edith Efron shriek: "They're *Leftist* issues!"

But they're not Leftist issues, Edith. They're *our* issues, and we have no right to give them up to the Left. We must assert proudly our right to those issues, our right to our own ideology. We must never surrender that right, never give it up—not to anyone—for any reason.

And that is why we have a moral obligation to work with both the Left and the Right, *and* to denounce both. Look at it in reverse: If these *are* our issues, then *they* are working with *us*. *We* define our ideology, and work to fulfill our vision; their goals are secondary. We do not accept *their* "package deals"; we welcome the destruction of those package deals.

We have our own ideology. We have our own world to win.

No one is suggesting that we abandon our ideology, to throw our lot in with the Left. We are adults. We can remember what we are all about. The achievement of a free society requires nothing less.

We dare not give up the world because of the venality—real or imagined—of others. Recognizing that, let us face up to the real requirements of social causality. Paranoia is self-indulgence.

Let us rather take up the challenge which confronts us. Unafraid of alliances, let us move forward. Moved by a reverence for *liberty* and contempt for those states that are its greatest enemy, let's get to work.

Phyllis Schlafly rides again

Phyllis Schlafly, the Bonnie Parker of the American Right, has recently let loose with a broadside in her column "From the Right" against—are you ready?—drugs and rock music. Her theme is really a boiled-down version of such right-wing classics as *Hippies, Drugs, and Promiscuity* and *The Marxist Minstrels*. But for those whose memories stretch back to the early 1960's, it was a refereshing bit of nostalgia reminding one of the tirade of the once highly-esteemed preacher, the Rev. Billy James Hargis. Hargis, for those who do not know, was a revered fundamentalist on the Right who fell from grace after having been caught fooling around with young lads and damsels under his sway, in—how shall we say it?—a most *un-Christian* manner. His *magnum opus* on the subjects concerning which Ms. Schlafly waxes eloquent, was the well-known tome *Communism, Hypnotism and the Beatles*. Its theme, in a nutshell, was that rock music of the Beatles' sort was in fact a subtle form of hypnosis leading the young, drug-crazed, and appropriately mesmerized into the camp of the Enemy. Having reduced American youth to a squishy pulp, the Communist armies would certainly march against a vulnerable America.

Ms. Schlafly pulls back a bit from this precipice, but her heart is still with the Rev. Hargis: "Hard rock music has fostered the great wave of drug addiction among young people in the United States and England," she intones, echoing a "union musician" [egads!] correspondent, Jack Staulcup. She informs us that "prior to 1964 drug use among . . . students was almost unheard of" [What about booze and "reefer madness," Phyllis?], but since then the entertainment media have "peddled the line that drug use, as well as illicit sex, sloppy dress [gasp!] and rebellion against authority are the 'in' activities." Not only that, but "a steady diet of rock and roll junk promoted degenerate

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rebelliousness among teenagers that finds its outlet in drugs, alcohol and illicit sex."

Moreover, it is not even good for *dancing:* "Teenagers really do not even dance to it; all they can do is move their bodies in an obscene motion." Oh, she admits that there were earlier such fads: the Charleston, the Big Apple, and the Jitterbug, for example. These might have been "silly" or, ahem, "energetic exercise," but none of *these* noble fads were "lewd or obscene." No, today's music is unique: "It is the biggest legalized racket that this country has ever seen." Aha! Shall we *outlaw* it? Well, not exactly; but "if we value civilization, we cannot afford to ignore any longer the high correlation between the multibillion-dollar hard-rock racket and the explosion of drug use and illicit sex among their teenage victims." She backs off from censorship and government intervention—which the rest of her blessed New Right often embraces—in calling for "parents [to] take a more active part in monitoring their children's entertainment." What a letdown! Just when things were starting to get interesting, a cop-out. No censorship, no local police swooping down on them, guns blazing, only good-old-fashioned parental control.

Really, though, there *is* a racket going on here—this continual scapegoating of those with different cultural tastes and lifestyles, of which Ms. Schlafly is so fond. Anyone who knows anything about history at all knows that Ms. Schlafly's complaint is only the latest on a road extending back through the centuries, with each generation pouncing on the one that follows. She might well go back and read what was said of alcohol or the Jitterbug in days of old—not to mention the rowdiness of the *Charleston,* which sent the Phyllis Schlaflys of the day into a tizzy. Ah, but those were the good old days, so different from today. It's an old, old story.

Cloning: menace or promise?

The science writer David Rorvik has written a just-published book claiming that an American millionaire has secretly managed to clone himself and produce a small boy, now 16 months old and well. Scientists claim that the technology for cloning humans is not yet available, and Rorvik says he is sworn to secrecy in naming the millionaire, the boy, or the scientists who performed the feat, in order to protect the privacy of all concerned.

Whoever is right on the facts, there is no doubt that cloning humans will eventually be feasible, that possibility raises important moral and political issues. Already, in response to the news of the Rorvik book, several scientists have sued the federal government under the Freedom of Information Act to try to force disclosure of what research the government has sponsored in this area. The statements issued by the scientists indicate that they are critical of the whole idea. Thus, Harvard genetics professor Jonathan Beckwith refers sweepingly to "medical 'advances' which allow meddling in the human gene pool." And, as MIT genetics professor Ethan Singer puts it: "What are the rights of cloned individuals? What are the ethical and moral aspects of cloning humans? Who has the right to clone?"

We can expect, in fact, severe opposition to cloning from both ends of the political spectrum. Liberals, who used to be in favor of scientific advance, now tend to be opposed to it for fear of technocratic control of individuals. And conservatives may be expected to raise the cry that cloning is tampering with God's gene pool and God's control over the reproductive process.

To put the problem in perspective, we must first point out what cloning is *not.* Cloning is not what we see in sci-fi movies, in which a new person is created whole with the identical memory and personality of the person being cloned. Cloning is essentially the creation of a new baby which will be an identical twin of the adult being cloned. In short, if John Doakes (or Jane Doakes) is cloned, Doakes Jr. will be a baby with the same genes as his father (or mother), and thus will be an identical twin of someone of the previous generation.

Putting the point this way should show how the question of rights can be resolved. Who should have the right to clone? Whoever has the right to have a baby by orthodox means: i.e. everyone. What should be the rights of a clone? The same as every other baby. The parents should have no more right to enslave a cloned baby than they have to enslave a baby now. Similarly, parents should have no less right to bring up a cloned baby than parents have to bring up a baby now. If John Doakes in some way created a cloned Doakes Jr., then so did he create (or half-create) the non-cloned Doakes offspring in the world now.

If the man is the one cloned, will the mother's role be different—though still essential—since only the father's genes will be passed on to the child? Why should this alteration of circumstance affect the roles or the rights of parents or children? After all, we have families with adopted children now where *no* genes are passed from parents to child, and yet the legal and moral status of all family members remains precisely the same. We should also realize that the clone will in no sense be a puppet of his creator; the clone will be as fully human a baby, as endowed with the freedom to choose and develop, as any baby is today.

The lesson here is that we should stop being so afraid of science: We should recapture the optimism with which earlier decades greeted technological advances. But we should always guard against any abuse of civil liberties whether using primitive or advanced technology. The human race could not have achieved its millenial climb upward from the cave man to civilization and high living standards for hundreds of millions without the aid of science and technology. To say that we must not tamper with God's gene pool is as sensible as saying that airplanes are evil because if God wanted us to fly he would have given us wings. Every time that men and women mate and produce children they are engaging in their own kind of "genetic engineering," by deciding which individuals they will attempt to mix their genes with. Cloning and other scientific advances will allow individuals to choose freely and determine their fates with far more knowledge and precision. Probably few mongoloids and hemophiliacs, and more geniuses, will be produced in the future. Is this such a terrible fate?

Mankind has accomplished its remarkable upward climb by using its reason to find out more and more about how the world works. Let us proceed with a high heart, undeterred by obscurantists—from whatever end of the political spectrum—who are eager to place shackles on man's mind.—**MNR**

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The Public Trough

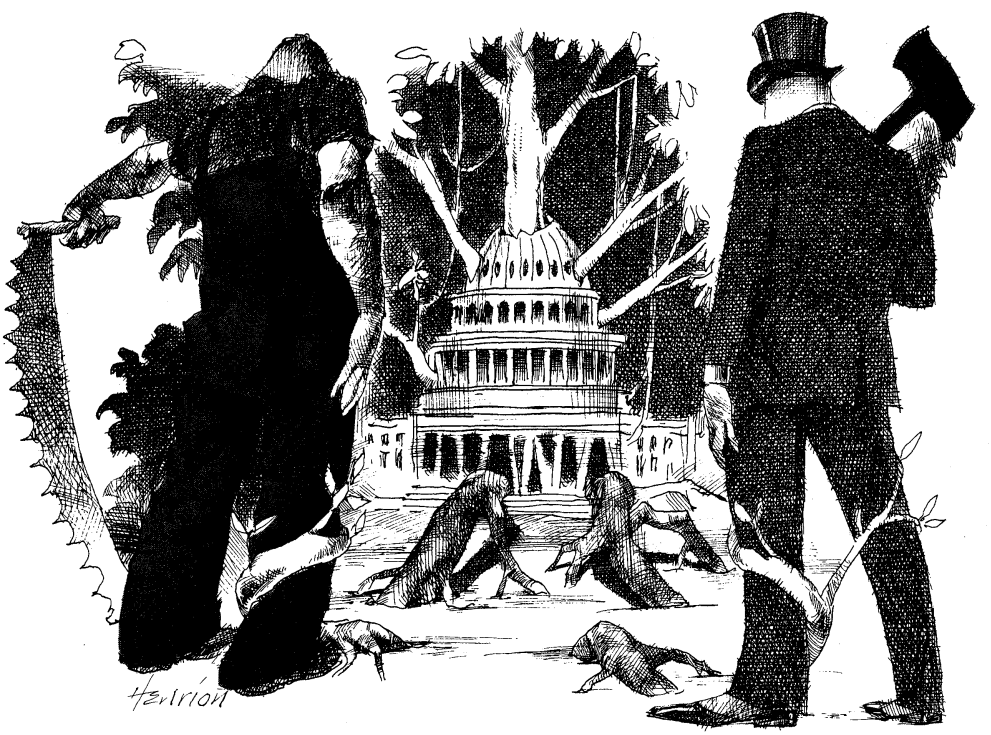
The environmental backlash

by Bruce Bartlett

In the fervor generated by the environmental movement in the United States, Congress and the state legislatures have enacted a mountain of new rules and regulations aimed at preserving and improving environmental quality, without taking a close look at the costs of their well-intentioned schemes. But now, recent considerations of these expenses is having a major impact on Congress, and may lead to a sudden backlash against such regulations in the near future.

One of the most significant analyses of this issue was presented by Edward Denison of the Brookings Institution in a recent article in the *Survey of Current Business.* Calculating the changes in the American economy over the past 30 years, he discovered that since 1968—when the proliferation of legislative strictures began to accelerate the growth of productivity has declined at an ever-increasing rate, evidently because of environmental and other new regulatory efforts. By 1975, the output for each unit of input was some one percent smaller than it would have been under 1967 regulations. Productivity grew in 1973 by 0.2 percent less than it had in 1972; by 0.4 percent less in 1974 than the previous year; and by 0.5 percent less in 1975 than in 1974.

The reason? Scarce capital resources are being diverted from investments which can yield production to investments that cannot—namely, pollution abatement. The amount of capital thus shunted aside is enormous. According to the report issued recently by the Council on Environmental Quality, cumulative capital investment for pollution abatement will total $252 billion over the next ten years. Yet these figures are dwarfed by the additional costs of operating and maintenance for this pollution control equipment and the cost of the capital used to acquire it: another $554 billion by 1985. Thus more than $800 billion will be diverted over the next decade from market-oriented investment which would yield higher productivity and output, to nonproductive pollution control.



Note also that the historical before-tax return on investment in the Untied States has averaged 12 percent per year. Thus, we can project that this $800 billion could produce additional wealth of approximately $100 billion a year. This is wealth which would have produced jobs and well-being for all Americans.

Yet there clearly are benefits to the country as a whole from cleaner air and water. But the cost is staggering, and the American people have a right to know what the alternatives are, so they will be able to make intelligent decisions about the allocation of scarce resources in the future.

It has taken nearly a decade for the costs to become apparent. The reaction has been slow in developing, but it is growing rapidly. Recently, *Harper's Magazine* (December 1977) published a brilliant essay by William Tucker on the Storm King Mountain controversy called, "Environmentalism and the Leisure Class." In that essay, Tucker showed rather conclusively that most of those opposed to building a new hydroelectric facility at Storm King on the Hudson River were not concerned about "the environment" in some abstract sense, but only looking out for their personal interests, with no particular regard for those who could benefit from a new hydroelectric facility. The most recent New York City blackout probably would not have happened if the Storm King facility had been built.

Senator Edmund Muskie, perhaps the leading environmentalist in Congress for the past decade, praised Tucker's article and noted that he was being attacked viciously by extreme environmentalists for supporing a hydroelectric facility, similar to that proposed at Storm King, on the St. John River in Maine. As Muskie argued, the only alternative to clean hydroelectric power must be new generating facilities fueled by coal, oil or nuclear fuel. So the question is: Who are the real environmentalists?

Ultimately, the jobs issue will be the downfall of the environmentalists. It appears that the north-central states are rapidly turning into a bloc on environmental issues, just as the oil- and gas-producing states of the Southwest are. This stems primarily from the slowdown in older manufacturing industries, like steel, which are most heavily hit by pollution-abatement costs, and which are located largely in the north-central states like Pennsylvania and Ohio. Evidence of this fact is shown by the establishment of a Steel Caucus in the Congress, which has proposed many measures which would free the steel industry from compliance with environmental regula-

(continued on page 16)

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The Plumb Line

So what else is new?

by Murray N. Rothbard

One of the fatal flaws in the concept of "limited" government is the judiciary. Endowed with the compulsory monopoly of the vital power of deciding disputes, of ultimately deciding who can wield force and how much can be wielded, the government judiciary sits as an unchecked and unlimited tyrant. Pledged to preside over the rule of law, law that is supposed to apply to everyman, the judges *themselves* are yet above the law and free from its sanctions and limitations. When clothed in the robes of his office, the judge can do no legal wrong and is therefore immune from the law itself.

There is a crucial Catch-22 in this grisly situation. For if anyone would like to argue against this arrangements, he can do so—in our archist system—only before judges who *themselves* are part of the problem rather than part of the solution. It is up to government judges to rule on whether government judges are immune from the law. How do *you* think they would decide? Well, how do you think a group of economists would decide on the question of whether economists should be immune? Or any other group or profession?

Not surprisingly, the United States Supreme Court ruled, in 1872, that judges were immune from any damage suits for any "judicial acts" that they had performed—regardless of how wrong, evil, or unconstitutional those acts may have been. When clothed in judicial authority, judges can do no wrong. Period.

Recently a case of an errant judge has come up again—because his action as a judge was considered generally to be monstrous and illegal. In 1971, Mrs. Ora Spitler McFarlin petitioned Judge Harold D. Stump of the DeKalb County, Indiana, Circuit Court to engage in a covert, compulsory sterilization of her 15-year-old daughter, Linda Kay Spitler. Although Linda was promoted each year with her class, Mrs. McFarlin opined that she was "somewhat retarded" and had begun to stay out overnight with older youths. And we all know what *that* can lead to.

Judge Stump quickly signed the order, and the judge and mamma hustled Linda into a hospital, telling her it was for an appendicitis operation. Linda was then sterilized without her knowledge. Two years later, Linda married a Leo Sparkman and discovered that she had been sterilized without her knowledge. The Sparkmans proceeded to sue mamma, mamma's attorney, the doctors, the hospital, and Judge Stump, alleging a half-dozen constitutional violations.

All of these people, in truth, had grossly violated Linda's rights and aggressed against her. All should have been made to pay, and pay dearly, for their monstrous offense. But the federal district court ruled otherwise. First, it ruled that mamma, her lawyer, and the various members of the "healing professions" were all immune—because everything *they* did had received the sanction of a certified judge. And second, Judge Stump was also absolutely immune, because he had acted in his capacity as a judge, even though, the district court acknowledged, he had had "an erroneous view of the law." So, not only is a judge immune, but he can confer his immunity in a king-like fashion even onto lowly civilians who surround him.

The U.S. Court of Appeals, Seventh Circuit, unaccountably didn't understand the program, and so it reversed the district court, claiming that Judge Stump had forfeited his immunity "because of his failure to comply with elementary principles of due process," and had therefore in a sense "not acted within his jurisdiction." To allow Stump's action to stand, said the appeals court, would be to sanction "tyranny from the bench."

Now this was pretty flimsy stuff, and besides it opened an entertaining wedge toward holding judges accountable to the law and to the protection of rights like everyone else. But this would have shaken the foundations of our monopoly archist legal system. And so the U.S. Supreme Court, on March 28, set the matter straight. In a 5-3 decision in this illuminating case of Stump v. Sparkman, Justice Byron R. ("Whizzer") White, speaking for the majority, sternly reminded the appellate court of the meaning of the 1872 ruling: "A judge will not be deprived of immunity because the action he took was in error, was done maliciously or was in excess of his authority. Rather, he will be subject to liability only when he has acted in the 'clear absence of all jurisdiction.'"

Justice White conceded that no state law or court ruling anywhere could be said to have authorized Judge Stump's action; but the important point, he went on, is that there was no statute or ruling which *prohibited* such an action by the judge. Therefore, even though Stump had approved the sterilization order without legal authorization, without holding a hearing, without notice to the child, or without her being represented by a lawyer or guardian, it was still a "judicial act" and therefore beyond the law. Backing Justice White were Justices Warren Burger, Harry Blackmun, William Rehnquist, and John Stevens.

For the minority, Justice Potter Stewart, joined by Lewis Powell and Thurgood Marshall, argued that the judge's unauthorized action was "beyond the pale of anything that could sensibly be called a judicial act." He pointed out that Stump's action "was in no way an act 'normally performed by a judge'. Indeed there is no reason to believe that such an act has ever been performed by any other Indiana judge, before or since." In a ringing statement, Stewart concluded: "A judge is not free, like a loose cannon, to inflict indiscriminate damage whenever he announces that he is acting in his judicial capacity." Ahh, Justice Stewart, but apparently and unfortunately he *is* so free.

Stump himself will be free for some time to come. Apparently the masses of DeKalb County were not concerned about Linda's rights, for they reelected him last year to another six-year term as circuit court judge.

Bruce Ennis, legal director of the American Civil Liberties Union, charged that the White decision meant that "judges can violate citizens' constitutional rights and get away with it" and "can ignore the law with impunity." Ennis said that the ACLU would ask for legislation from Congress reversing this "outrageous" decision.

Outrage, yes; but why the shock and surprise? White and his allies were (1) simply being *thick as judges*, guildsmen defending their guild privileges; and (2) were defending the very cornerstone of our archist system: the immunity from the law of the ultimate decision-makers. Removing such immunity strikes at the very heart of that system, and paves the way for a truly free America in which rights would be protected fully, in which *no* man or group of men would be above the law, or would have a compulsory monopoly of judicial services. We hail Mr. Ennis and the minority judges; but do they know the full implications when we pit citizens' rights against the "loose cannon" of judges and the "tyranny of the bench"?

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Liberty's Heritage

Rose Wilder Lane

by John Hospers

She was a Western Union telegrapher, one of the first female real estate agents in California, a reporter for the long-defunct *San Francisco Bulletin*, a novelist, storyteller, polemecist—and, at the age of 79, a correspondent in Vietnam for *Women's Day*. But above all, Rose Wilder Lane was a vigorous, vital, compelling champion of liberty. As Robert LeFevre writes in his introduction to the recent republication of her 1936 opus, *Give Me Liberty*, "With a passion that always reminded me of the obsession of Joan of Arc, Rose loved liberty. It was a thing in itself, a goddess to be adored, a lodestar to pull together the diverse threads of existence."

She was born in De Smet in the Dakota Territory on December 5, 1886; her mother, Laura Ingalls Wilder was the author of many children's stories, which have retained their popularity through these many years. The individualism and liberty inherent in Rose Wilder Lane's early pioneer years—often accompanied by poverty, and always accompanied by ever-greater effort and achievement—shaped her entire life. Later, she would draw on her early experiences for numerous novels of pioneer life, the most famous of which was *Let the Hurricane Roar* (1933). *Give Me Liberty*, which was first published as "Credo" in the *Saturday Evening Post*, exerted a strong influence during the Great Depression. It spelled out in detail the threats of an American socialist state—threats the author had seen as realities at work in Eastern Europe in the early 1920s. Mrs. Lane had become a socialist herself for a time, until her experiences while living under socialist regimes brought her back to a belief in individual freedom and the unhampered market. She describes these experiences, and her rediscovery of America, in *Give Me Liberty*.

The Discovery of Freedom

The major work that Mrs. Lane published during her lifetime was *The Discovery of Freedom* (1943). It is one long paean of praise of the tradition of liberty in America. It is full of little-known historical facts, and of incisive comments on contemporary American life, especially during the Great Depression—which, along with a small minority of writers at the time, she blames on government intervention and especially Roosevelt's policies.

Since her prose style is both trenchant and elegant, always striking the jugular and yet combining incisveness with grace and charm, I shall for the most part quote her own words: On every issue she discusses, she is indeed the most quotable writer I know, at one time irresistibly focusing the reader's attention on an issue with slashing sentences of powerful yet chiseled prose, at another time bristling with righteous indignation that is highly infectious, and at yet other times relating incidents that capture the essence of an issue or a period of history, with such elemental power as to make one cheer before reading on. Who, for example, has ever discussed human rights more definitively in a dozen lines than she does in the following passage?

"Anyone who says that economic security is a human right, has been too much babied. While he babbles, other men are risking and losing their lives to protect him. They are fighting the sea, fighting the land, fighting diseases and insects and weather and space and time, for him, while he chatters that all men have a right to security and that 'The State' must give it to him. Let the fighting men stop fighting this inhuman earth for one hour and he will learn how much security there is.

"Let him get out on the front lines. Let him bring one slow freight through a snowstorm in the Rockies. Let him drive one rivet to hold his apartment roof over his head. Let him keep his own electric light burning through one quiet cozy winter evening when the mist is freezing to the wires. Let him make, from seed to table, just one slice of bread, and we will hear no more about the human right to security.

"No man's security is greater than his own self-reliance. If every man and woman worth living did not stand up to the job of living, did not take risk and danger and exhaustion beyond exhaustion and go on fighting for one thin hope of victory in the certainty of death, there would not be a human being alive today." (p. 60)

There are hundreds of passages in *The Discovery of Freedom* to match this one; to say that it makes heady reading is rather an understatement. The book opens with an eloquent essay on the use of the various sources of energy in nature for the enhancement of man's life; but since these first few pages, with certain changes, constitute the opening of Henry Weaver's book *The Mainspring of Human Energy* and are already familiar to millions of readers, I shall not quote them here. (Weaver gives no recognition to Mrs. Lane, though the pages were apparently placed in Weaver's book with her permission.) Instead, here is one short paragraph from her long and revealing section on life in early America:

"A little more than a century ago, here in this country, American women still cooked over open fires, as women had cooked since history began, and as more than two-thirds of the women on this earth are still doing. A century ago, in New York State, every woman made her household's soap and candles. Oil was always in this earth; men discovered it when Babylon was young; Romans knew it and saw it burning; no European had ever made kerosene. American women still spun thread and wove cloth, with the spindle and the loom that were older than Egypt. Older than Egypt were the water-wheel and the millstones that still ground the grain that American farmers still cut with the knife and threshed with the flail."

But thanks to individual liberty and noninterference from government, the United States in the first half of the 19th century had the highest standard of living in the world. Through the use of energy to enhance human life, a whole new world was created. Rather than quote bits and pieces from various examples, I shall quote one single example in some detail and allow it to represent all the others:

"Some three thousand years ago, the Greeks knew the principle of the steam engine, but they lacked the technology to develop it. In 1704, a steamboat was running successfully on the river Elbe in Germany. It threatened technological unemployment of boatmen. The steamboat was burned; its inventor barely escaped with his life.

"Englishmen fortunately were not so well governed as that. When Washington was president here, some Englishmen were making steam engines. All these activities, of course, were more or less under government control. The British government protected, encouraged, subsidized and controlled the manufacture of steam engines.

"The British government did not want to have an English manufacturer sell a steam

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engine to Americans . . . . (Nevertheless, steam engines were built in America.) In 1807 the steamboat ran, at 4 miles an hour, from New York City to Clermont on the Hudson, and on to Albany. New Englanders immediately saw the stupendous possibilities of steamboats. They applied at once to their legislatures for protection. Fortunes and workingmen were in peril. Steamboats would ruin the river sloops, the packetlines, all New England's sailing-ship industries. They would throw out of jobs all the rivermen, sailors, ships' carpenters, ropemakers; they would wreck New England. So they sought protection against the newcomer, through government.

"Governments had always protected their subjects in this way. This is the only way in which government's use of force can protect any man's economic welfare—by preventing other men's economic activities; that is, by stopping economic progress.

The American clipper ships were the final blow that brought down the British planned economy.

"But such laws could not be enforced in America. (After all, they were unconstitutional here.) And so, a dozen years after Fulton's Clermont steamed up the Hudson, steamboats were scaring Indians in distant Nebraska, and the first steamship crossed the Atlantic—from the New World to Europe.

"The unprotected sailing-ship men fought tooth and nail for their fortunes and their jobs, but they were doomed. There were no laws to stop progress, and Americans wanted speed. Steamboats soon had the rivers and the Great Lakes, the coastwise traffic, then the transatlantic traffic. The American ships took the world's sea trade.

"It was not only that the clipper ships were faster, the British ships now second-rate and slow; the Yankee captains were quicker in a bargain. They had no rules and regulations, no red tape. Every Yankee captain sized up a situation, figured in his head, made his price, and loaded the cargo.

"Men stood up in Parliament and pointed to all this. What had created the clipper ships? Not the American government. Not protection—*lack* of protection. What made the British marine second-rate? Safety, shelter, protection under the British Navigation Acts. And now the American clipper ships had run away with the trade.

"It was the American clipper ships that opened the British ports to free trade. Half a century of American smuggling and rebellion and costly ineffectual blockades could not break down the British planned economy. Seven years of war in America and the loss of the thirteen colonies did not do it. All the sound and sensible arguments of English economists did not do it. The American clipper ships did it.

"They were the final blow that brought down the British planned economy. The great English reform movement of the nineteenth century consisted wholly in repealing laws. It was a destruction of government's interference in human affairs, a destruction of the so-called protection that is actually a restriction of the exercise of natural human rights.

"In that mid-nineteenth-century period of the greatest individual freedom that Englishmen have ever known, they made the prosperity and power of the British empire during Victoria's long and peaceful reign. And to that freedom and prosperity and power and peace, the American clipper ship contributed more than any other one thing." (pp. 237-9.)

The Lady and the Tycoon

From 1938 on Mrs. Lane lived alone on a farm she had bought near Danbury, Connecticut. Though her books still enjoyed great popularity, after *The Discovery of Freedom* she stopped writing for publication in order to emphasize her opposition to income tax, social security, and other New Deal programs. A libertarian before her time, she came to be the chief influence on the life of another prominent libertarian, Roger Lea MacBride, who became her chief protege and intellectual heir. And it is thanks to him that we have still another book from Mrs. Lane's pen, which he edited from her letters after her death in 1968. This book is *The Lady and the Tycoon* published in 1973 by Caxton Press and kept in print by this company.

Some 400 pages long, this work is an exchange of letters from 1946 to 1968 between Mrs. Lane and Jasper Crane of the duPont Corporation. These letters were never intended for publication (all the noteworthy letters in the exchange are Mrs. Lane's), but luckily they were kept by Mr. Crane, but for which we would not have the benefit of them now. Her letters expatiate on a great variety of issues—philosophical, historical, political, and economic, as well as on her reactions to domestic and international events of the day as they occurred. Both as literature and as ideas they are as beautiful and insightful as anything she ever wrote.

When Mr. Crane discourses to her abo

Rose Wilder Lane

"the beauties of our country," she writes to him, almost sharply:

"I do not go into rhapsodies about 'my country,' its rocks and rills, its superhighways and wooded hills . . . This whole world is almost unbearably beautiful; why should I love Oak Creek Canyon or California's beaches . . . any more than the Bocca di Cattaro or Delphi or the Bosphorous? Because *I*, me, the Great RWL, was born in Dakota Territory? The logic seems weak, somehow, don't you feel?

"My attachment to these United States is wholly, entirely, absolutely The Revolution, the real world Revolution, which men began here and which has, so to speak, a foothold on earth here. If reactionaries succeed in destroying the revolutionary structure of social and political human life here, I care no more about this continent than about any other. If I lived long enough I would find and join the revival of the Revolution wherever it might be, in Africa or Asia or Europe, the Arctic or Antarctic—and let this country go with all the other regimes that collectivism has wrecked and eliminated since history began. So much for patriotism, mine." (p. 267)

The greatness of America lies in the independence of the people from the government:

"Human minds always are logical; the fallacy always is in the *premise*, the basic unquestioned assumption, upon which the process of reasoning is based. So in logical return for The Government's benefits, we are supposed to 'owe a duty' to It. The custom of taxation is a remnant of the Incarnate God's ownership of 'his people.' *Why* do you *owe* money to Mr. Kennedy? If you need to guard your property, you hire and pay guards, nightwatchmen; if

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you are a banker you buy and pay for armored cars and hire guards to transport the bank's gold; if you manage an insurance company you hire and pay detectives to investigate claims against your company. If a foreign power attacks your country, *you* defend it; you man the tanks, fly the bombers, fire the guns. Is there a need, in reason, to compel persons—by force—to defend their property and themselves? Is there a reason why 'people cannot do for themselves' in a free market, everything that The Government is supposed to be doing for them?

"'The people' have in fact done everything that is done; they built the houses and roads and railroads and telephones and planes, they organized world-wide cooperative institutions—the oil companies, the banks—and the postal services, and the militia companies, and the schools—what didn't 'the people' do? What happens is that, after they do it, The Government takes it. The Government takes the roads, the postal service, the systems of communication, the banks, the markets, the stock exchanges, the insurance companies, the schools, the militia, the building trades, the telegraph and telephones, the radios, *after* 'the people' have done all these things for themselves." (pp. 332-3)

But the United States has changed greatly since the New Deal, and Mrs. Lane never loses an opportunity to describe vividly the nature of this change, often from her own personal experience. Her descriptions cannot help raising one's blood pressure. Here, for example, is her description of one of her experiences in the early years of the New Deal:

"American farmers fought the 'protective tariff' from 1800 to 1896 . . . Even as late as 1933, when Garet Garrett and I drove all over the Midwest, the farmers in general were not wanting AAA or any other federal interference. In Kansas I met a rabble-rousing New Dealer from Washington who took me to a farmers' meeting where he spoke with real conviction and eloquence. The audience listened absolutely noncommittal, until he worked up to an incandescent peroration: 'We went down there to Washington and got you all a Ford. Now we're going to get you a Cadillac!' The temperature suddenly fell below freezing; the silent antagonism was colder than zero. That ended the speech; the whole audience rose and went out. The orator later said to me, 'Those damned numbskulls! The only thing to use on them is a club!'

"Some time later, in a hotel lobby in Branson, Missouri, I met a young man almost in tears, totally woebegone and despairing. He had spent seventy days in Stone County, working day and night, he said, house to house, up hill and down, over those horrible roads; he'd gone to every house, he'd used every persuasion he could think of, talked himself hoarse, and he had not got even *one* man to take a $2,500 loan from the government; and those wretched people needed everything; why, their children were barefoot, some of them lived in *log cabins*—could I believe it? They *needed* to be rehabilitated; I had no idea what rural slums they lived in; and here he offered them a loan from the Government—amortized, 25 years to pay it, more time if they wanted it; he offered them horses, and tools, even a car, anything almost and they just wouldn't take it. They didn't talk or act like such fools either. He couldn't understand it. He *had* to get some of them to take Government help or he'd lose his job. What was wrong with them? could I tell him? could I help him?

"In southern Illinois there was a Terror. The Government men went into that country and took no nonsense; they condemned the land—every farm; offered the owners $7 an acre, or nothing. This was a model project, tearing down houses, building new roads, surveying a Community Center all blueprinted. The people were frantic and furious; they hired lawyers, who told them they could do nothing; they tired to get the facts printed; no newspaper dared do it.

There is no honesty involved in paying taxes. Taxation is armed robbery; tax-collectors are armed robbers.

The county was listed as a rural slum, the land as eroded. When I asked to be shown erosion, the answer was, it is 'sheet erosion' That is, the constant effect of rainfall on all earth. There was not an eroded ditch in the county. Every farm was well cared for, every house in repair, painted, cared for—simple frame houses, a few without electricity or plumbing, but many with both. . . . None of them wanted to be rehabilitated. None of them would speak to Garet or to me until we *proved* that we did not come from the Government. Garet was dumbfounded when men surrounded the car and demanded that proof; luckily he had it, by chance. And these are the people who are said to be demanding subsidies! That was a story—Communist Terror in Illinois. (The manager of the project was a Party member.) No editor would print it, of course. The truth about this country never does get into print." (pp. 168-170)

There are dozens of incidents like this, recounted so vividly as to be emblazoned on one's memory forever. So are her descriptions of her own entanglements with the new Leviathan, the federal government—of which this is one:

"Various authorities have been trying to force a Social Security number on me. They telephone and tell me I *must* have one; since I have none, they are giving me one. I tell them I won't have it. I get forms, my humble request to be entitled to Social Security benefits; with command, Sign here and return to ---. I put them in the wastebasket. I get orders to appear at such an hour, such a date, at such an office, with all records and receipts to show cause—I reply that it is not convenient for me to appear—etc., etc. I even get an order to appear and support with documents my claim for refund of the tax-and-fine that I paid; I return this, writing across it, 'I have made no such claim.' The telephone rings, and I am informed that I am being given the necessary Social Security number; I say I have none and I shall *not* have one; I will have nothing to do with that Ponzi fraud because it is treason; it will wreck this country as it wrecked Germany; I won't have it; you can't make me ...." (pp. 203-4)

She writes Mr. Crane in no uncertain terms that he is mistaken in believing that one owes the government *something* in return for services rendered; and she is equally eloquent against Robert LeFevre's "no action" attitude toward government:

"Mr. LeFevre and I have engaged in heated, though amiable, controversy, about his attitude to Government. When the students in his Basic course (the one I attended) asked him, what should we *do?* his reply was negative. He said: Do not depend on Government; do not ask Government for favors and subsidies and support. I think that a negative is not enough; I say that if they do not know the right action they are too apt to take a wrong one; I think that the thing to do is to *resist* any further extensions and encroachments and usurpations by the Federal Government, by every peaceful legal means while such means exist . . . ." (p. 213)

"I do not think that any honesty is involved in paying taxes. Taxation is plain armed robbery; tax-collectors are armed robbers. I will save my property from them in any way that I think I can get away with. If you wake in the night with a flashlight shining in your face and a masked man with a gun ordering you to tell him where your money is, do you feel that you're

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morally obliged to tell him the truth, the whole truth, and nothing but the truth? I think you might. I don't. I will try to get out of that predicament with as little loss as possible. In regard to taxes, this means taking advantage of every legality that any attorney can find in the tax 'laws' so called, and regulations. I have no scruples about this whatever, anything that I want to do with *my* money, and that I can in any way slip under any legality so that the robbers won't find it and rob me of some of it, I do. They make the legalities, trying to be smart about who gets how much of my property; and to keep as much as possible of my own, I'll outsmart them if I can . . . ." (p. 263)

"I am 'law-abiding' purely for expediency, for self-defense, in the main against my conscientious principles, so at bottom I am ashamed of not being a conscientious objector practicing Ghandi's or Thoreau's civil disobedience. I did refuse to be rationed; I do absolutely refuse to be Social-Secured; but I should refuse to pay taxes and be in jail, only what would become of my little Maltese puppies? and my own little area of freedom? and my books and my friends and correspondents? I shall be reluctantly a martyr, only when backed into the last corner of the last resort. No heroine, alas." (p. 269)

Yet she is surely one of the great heroines of the Libertarian Revolution. If libertarians want to find, not only quotable quotes, but incisive arguments for their position, and replies to objections often made to it, there are passages in this book that cannot be improved upon. When Mr. Crane suggests that courts should intervene when one business acts in "restraint of trade" by another, she lashes out:

"As to the restraint of trade by business, that is impossible; the notion that money is power is another lie. There is no possible means by which the duPont Company can stop me (if I have the brains, and not a penny) from starting an enterprise that will eventually totally destroy the duPont Company. I can be stopped only by violence, by physical force. The duPont Company, desiring to stop me, has two possible methods: (1) You can hire and pay a gunman to kill me or kidnap me, and gangsters to destroy my property; you cannot do this successfully if the State performs its proper function of protecting human rights (my right to life, liberty, and ownership of property). (2) Or, you can bribe enough Congressmen to pass an Act of Congress setting up a commission and requiring that anyone engaging in any enterprise in the field of duPont Company's activities must first obtain a permit from the commission and thereafter be 'regulated' by the members of the commission. This act will be enforced by police force, which will as effectually prevent my competing with duPont as criminal force would do. You cannot use this second method, either, if the State is restricted to its proper function of protecting human rights (my right to life, liberty and ownership); for 'government regulation' is an infringement of my liberty and ownership." (p. 2)

Or if someone asks, "How do you stop the concentration of wealth in this country?" one can invite him to read Mrs. Lane's reply:

"Freedom of enterprise *cannot* 'produce a society in which there is great wealth concentrated in the hands of a few and considerable poverty among the many.' Dr. Blake might as well ask, 'What is our political and Christian duty when water runs uphill, when the earth turns from east to west, when air is heavier than lead?' Doesn't he know any facts at all? Does he never *look* at his country? How can he avoid seeing, if he ever glances at any city, town, highway, or farm, that the salient characteristic of this country is *distribution*, not concentration, of wealth? Doesn't he know that even ownership of capital wealth is not concentrated?—that, for example, some 600,000 'among the many' own General Electric? What free enterprise produces most unexpectedly, is a society in which great economic *responsibility* is concentrated and great *wealth* is distributed among the many." (p. 81; written in 1952)

And if someone suggests that after all America has produced only *material* values, whereas other nations pursue nobler ideals, she has this to tell us:

"This scorn of 'materialism' seems to me either a shallow and thoughtless cliche, or an expression of frustration, despair, envy, hate . . . Nehru flaunts Indian 'spirituality.' America, they say, has nothing but plumbing; how low, how vulgar, how contemptible, a country that values bathrooms while Europe loves art and India has a soul.

"Well, okay, I'll raise right now the flag of the bathroom. What *is* a bathroom? It is cleanliness, health, and all other values of human *life* on this earth; leisure, learning, art, culture, because it releases human beings from life-wasting drudgery . . . Give me American bathrooms; give me the country where pumps and pipes are the working class, where 'gadgets' *serve* the values of human life, and human beings have a life-time to *live* . . . ." (p. 131)

If someone asks, Might it not be necessary sometime to interfere in the "internal affairs" of another country, e.g. the Soviet Union, she answers:

"I don't want to be misunderstood as ever suggesting, or approving, anyone's saying to anyone else, 'You do so-and-so, or I will do such-and-such to you.' That is a threat, an attempt to invade another's area of responsibility, to infringe human rights, to dictate another's decisions and acts. DuPont did nothing of that kind when you all decided not to deal with the Soviet Union. What the company did then was to say, '*I* do this.' And if asked why, 'Because, the Soviet Union being what it is, this company cannot deal with it.' This is not trying to dictate to Stalin, nor to destroy his regime. It is simply acceptance of duPont's responsibility for duPont's decisions. If every American corporation's directors did this, the Soviet Union would collapse. But that would not be the responsibility of the directors; it would be the responsibility of the men who created the Soviet Union so that it cannot survive if American corporation-directors act morally." (p. 21)

One could go on and on—every page is laden with memorable passages. These were letters written to an audience of one, yet they deserve to be shouted from the housetops more than books that sell millions of copies. Did Mrs. Lane think she was influencing many people? Probably not; but she was an indefatigable letter-writer, especially in her later years when she had ceased writing for publication. And sometimes she was heeded:

"I heard a high school 'debate' among all pro-New Dealers on the radio, and wrote to each of them. One replied, with all the Welfare State collectivist notions that had been put in his head, but he didn't seem wholly unintelligent, so I kept on writing to him for some months, apparently with no effect, finally getting no answer. Now he turns up as publisher . . . ."

Her finest work, excelling even *The Discovery of Freedom*, was never written for publication; yet its publication has influenced many thousands of people. Ten years after her death, Rose Wilder Lane's influence is again on the rise. While she lived she fought a very lonely battle. Were she alive today, she would be happy to know that battle is no longer as lonely as before, and that those who have made common cause with her are increasing in number, every day and every hour.

John Hospers is professor of philosophy at the University of Southern California and the author of the widely acclaimed work Libertarianism.

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Crosscurrents

by Walter Grinder

• Business Moves to Washington

Recently, a number of libertarians have been trying to convince themselves and others that since government is in public disfavor, it is beating a hasty retreat on all fronts. Bloated government, we are led to conclude, is about to crumble under its own overweight and overextension. Would that it were so. But the facts speak differently.

The ties that bind government and business together are multiplying without limit. In fact, the government-business interface is growing at a faster pace than at any other peacetime period in U.S. history. The persistent penchant of Washington to regulate and to legislate has mushroomed so tremendously that, in the last year alone, more than 10,000 bills were introduced in the House of Representatives and almost 3,000 in the Senate. Of course, only a fraction of these were adopted or even brought out of committee; but even so, at this rate, the much-vaunted deregulation movement and the so-called retrenchment of government would not be able even to keep pace with newly enacted legislation, let alone have any net liberating effect.

Whether through reform of older regulations or because of newly enacted regulatory programs, government is increasingly becoming the (not so silent) partner of most businesses. Many businessmen are quite unhappy with this turn of events; some, however, are delighted. And increasing numbers of them are becoming more sophisticated and aware of this trend, and are in fact nurturing this relationship in a much more systematic and professional manner.

A good indicator of this heightened awareness is the migration of various trade associations to Washington. There are now 1,800 such associations headquartered in the nation's capitol, and their ranks are growing at the rate of one a week. As Steven V. Roberts reports in a very informative article, "Trade Associations Flocking to Capitol as U.S. Role Rises" (*New York Times*, March 4, 1978), "this migration of associations to Washington is part of a broader trend. Law firms and lobbyists, chain stores and corporate headquarters are all flooding into the capitol, and all for the same reason. More decisions affecting more people are made here than anywhere else in the country, perhaps in the world."

Roberts goes on to point out that "one key element of lobbying is simply getting to know the right people, and this can be done effectively only in Washington." He quotes James P. Low, executive vice president of the American Society of Association Executives, as saying, "You have to be helpful, be dependable, keep contact. The good association executive builds friendships, takes people out to lunch, takes them to the ball game, builds trust." Imagine that—good solid moral standards right there in the home of iniquity.

Perhaps a more key sign of the importance of statutes regulating American business and the consequent interrelationships between business and government, is the amount of time being devoted to this problem by chief executive officers of major corporations. More and more coporation heads are spending time in Washington trying to find their way through the mystifying maze and making sure that their influence is felt. In many cases, CEOs spend as much time figuring out these politically imposed procedures and plotting out new corporate responses and initiatives as they spend in determining how to manufacture and market their companies' products. And this shouldn't be surprising. After all, as the editor of *Harper's*, Lewis Lapham, so scathingly and cleverly put it, we just can't let people "go around making things without permission."

However, as sad (both morally and economically) as the situation is, I really cannot find the heart to feel very sorry for most of America's big business leaders. The current generation of businessmen is merely reaping the harvest of the crop sown by their predecessors during the development of "political capitalism," throughout most of this century. Sadly, I see little evidence which would lead me to believe that today's businessmen are acting any differently than those of two, three or four decades ago. On the contrary, everything I see indicates that big business' acceptance and encouragement of closer ties to government is going full steam ahead, faster than ever.

The growth of this cozy relationship between business and government could have been stopped at any time in the past (and could be halted even today)—if businessmen had been determined to hold the line. But here lies the rub. Most of them wanted it *both* ways: They wanted the favors that could be bestowed only by government, while at the same time they wanted to be left alone to run their businesses as they saw fit. Businessmen are now finding that they have trapped themselves in one of the many contradictions of political capitalism.

But don't count out the American businessman just yet. America's corporate elite still exert far more influence than any other sector in American society. As Walter Guzzardi Jr. points out in another very useful article, "Business is Learning to Win in Washington" (*Fortune*, March 27, 1978), "The c.e.o. can always get a hearing: busy politicians and bureaucrats will juggle their appointment books to see the head of General Motors or of I.B.M. . . . Frequently they meet with the President. One chief executive or another is almost always in contact with Secretary of the Treasury Michael Blumenthal, Secretary of Commerce Juanita Kreps, Energy Secretary James Schlesinger, and Charles Schultz, chairman of the Council of Economic Advisers. When they go hunting on the Hill, they meet where power concentrates: in the offices of House Speaker Tip O'Neill, Ways and Means Chairman Al Ullman, and Senator Russell Long."

With few exceptions, most big business leaders stand first and foremost among the real opponents of an unhampered free market society.

No matter how sad—from the point of view of the libertarian—the state of legislation and regulation has become in Washington, with the exception of a very few competitive and ideologically committed businessmen, big business hardly is on the run. Whatever big business is doing, there is one thing that it certainly is *not* doing: It is *not* defending the free market. Amazingly, this fact mystifies many libertarians. But surely it should not. The history of the relationship between business and government in 20th century America clearly shows that a significant number of business leaders have been in the forefront of the

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move away from the discipline of the free market towards the shelter and protection from the rigors of the market offered within the friendly confines of the corporate state. What constantly amazes me is that anyone would find such a course of action surprising.

The countless incursions into America's market mechanism over the past seven decades have generated innumerable confusions and contradictions, and have left in their wake a morass of bureaucratic red tape. Needless to say, many businessmen find this state of affairs disconcerting. Most, however, do not seem to be sufficiently morally distressed to call for complete adoption of the free market to set the situation aright.

To the contrary, most businessmen seem to be following the lead of the Business Roundtable (a prestigious association comprised of a couple of hundred top CEOs in the country). The Roundtable is busily beating down many of the more populist measures that have been suggested and coopting those that cannot be beaten outright. My bet is that after a couple of years (or less) of tough infighting, big business will once again have stolen the "thunder of the Left" and will have refashioned each of the new regulatory agencies to its own best interest. But the other strategy of big business is to transform existing regulatory bodies into workable and helpful agencies by introducing "quasi-market" reforms, within the broader parameters of our regulated society. Here, it seems clear that big business has stolen the "thunder of the Right." A very clever strategy indeed, and one which clearly seems to be working.

I say *quasi*-market reform for a good reason. *Real* market prices cannot be legislated or attained by administrative groping and fiat. Nor can prices developed within set parameters, constrained by upper or lower ranges, be considered real market prices. For example, prices such as those being discussed for natural gas over the next two, five or ten years are not market prices; rather, they are what Ludwig Mises years ago called "merely quantity relations in the government's orders."

As the aforementioned article in *Fortune* demonstrates, the business, lobbying, and trade association leaders in Washington are strongly pushing for probusiness legislation and probusiness administrative interpretations. Only a cultural lag of major magnitude, however, could lead one to jump to the conclusion that what they are doing is battling for the free market. If it were not so sad (let alone so historically naive), it would be almost laughable to assume that the presidents of the corporate establishment would be pushing for real economic liberty (i.e., the full discipline of the profit and loss system) and against the comfortable umbrella of neomercantilist state protection and favored status.

(I am convined the big business would fight for the free market system under, and *only* under, the following conditions: (1) that the perceived benefits to big business, as a group or class, were greater than the perceived losses that would be incurred by foregoing the favored status; (2) that big business was no longer essentially integrated into the state mechanism, and consequently was a self-conscious net recipient of both monetary and psychic income from the state transfer system; and (3) that big business was guided by a strong and deeply seated ideological conviction that the free market is a good, just, and worthwhile objective to achieve, even at the expense of other political-economic objectives—and that Big Business leaders felt that the political-economic objectives were, at least in the medium run, consonant with the demands of the stockholders. It seems to me that not even *one* of these three conditions is met at this time. Therefore, I do not hesitate to state categorically that most big business leaders—there are the few ideosyncratic exceptions which, as always, are needed to confirm the rule—will stand first and foremost among the real opponents of a genuine, unhampered free market society.)

True, the CEOs are beside themselves with the petty and pestiferous minutiae of regulatory red tape, and they quite obviously would like to get rid of it. On this matter I have no doubt that they will be reasonably successful. But once this is achieved, and once profits start slowing more smoothly, more than likely we will hear little more about market reforms (deregulation). Instead, it would seem probable that we will be hearing a lot more about the New American Ideology and the continuing business-government partnership, as best articulated by Harvard Professor George Cabot Lodge.

In the meantime, what about the cause of liberty? What about the size and scope of the American state? What about the great retreat of government from our lives and livlihoods? And the crumbling of Leviathan? As one of my students recently told me, "Don't hold your breath."

I am convinced that, for reasons I have discussed previously in these pages, there are many reasons for libertarians to be optimistic in the relatively near future. I am, however, equally concerned that we not be lulled into either unachievable expectations or complacency by the siren song of false or misplaced optimism. We must examine and understand the real situation, and then procede from there.

To keep alert about the real condition of both the growth and power of the state and of the interpenetration of business and government, I would suggest simply reading about the real world. A good place to start is with *Business Week* and *Fortune*.

Environment

(continued from page 8)

tions—in order to save jobs. Thus we find many otherwise-liberal Democrats slowly abandoning environmentalism in favor of jobs. As one liberal Democratic congressman from Ohio recently put it: "The primary cause of our high unemployment . . . lies with the U.S. Environmental Protection Agency and its overzealous, regulation-making bureaucrats."

Environmentalists would be wise to realize that this kind of thinking is quite common in the Congress today and it may very well lead to a backlash against existing environmental legislation. The Democratic Party's coalition of labor unions, minorities and environmentalists could easily break up if it comes down to a question of jobs versus the environment.

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Equality, Planning, and the Market Economy

An interview with Austrian economist Ludwig Lachmann

by Richard Ebeling and Don Lavoie

Ludwig Lachmann is one of the most prominent *free-market economists of our time, an indefatiguable worker in the "Austrian" econimics tradition set forth by such giants of economic thought as Carl Menger, Ludwig von Mises, and F.A. Hayek. Together with such notables as Israel Kirzner and Murray Rothbard, Ludwig Lachmann has been in the front lines of economics, keeping alive the Austrian tradition and extending its frontiers among the academic world. He has been active for more than half a century in teaching and writing.*

Prof. Lachmann entered the University of Berlin in 1924 to study economics. After discovering the works of Ludwig von Mises and Friedrich Hayek in the 1920s, Lachmann moved to England in 1933, to study economics as a graduate student of Hayek at the London School of Economics. Lachmann remained at the London School throughout the 1930s and 1940s, afterwards moving to South Africa to teach at the University of the Witwatersrand in Johannesburg. In the 1970s, Prof. Lachmann has been visiting professor of economics at New York University where, together with Dr. Israel Kirzner and a group of graduate students, there has been built a formidable program for the study of Austrian economics.

His works span the entire breadth of economic thought, from methodology to questions of public policy, and his defense of the free market economy is rigorous and far-reaching. Among his most important books are Capital and Its Structure *(1956, to be reprinted in 1978 by Sheed Andrews and McMeel),* The Legacy of Max Weber *(1971),* Macro-economic Thinking and the Market Economy *(1973), and a new collection of some of his most important essays,* Capital, Expectations and the Market Process, *edited with an introduction by* LR *associate editor Walter E. Grinder (1977).*

Prof. Lachmann is presently at work at his home in Johannesburg on a treatise on the market process. He was interviewed for Libertarian Review *by frequent* LR *contributors Don Lavoie and Richard Ebeling, who are both graduate students in economics at New York University.*

LR: During the last few years there has been a marked revival of interest in Austrian economics, after an eclipse of nearly 40 years. You have been acquainted with or associated with Austrian economics for nearly half a century. To what do you attribute this revival of the Austrian school and its traditions?

Lachmann: I think there is now a growing dissatisfcation with the dominant Keynesian and neoclassical economics establishment, which has dominated economic thought since the Second World War. Indeed, if you read the utterances of the most prominent neoclassical economists, you can see that this feeling of general uneasiness is in fact quite articulate in the minds of leading neoclassical figures. So since the paradigm of the neoclassical establishment, which for 25 years had dominated Western economics, is on the decline, this has given the Austrians a chance to regain the influence they once had. And there is another reason, of course. As economic problems have gotten worse, and the neoclassical paradigm has failed to solve these problems, there have been a number of people who have kept the Austrian tradition alive. At one university—New York University—Austrian economics has never been entirely lost, and that is no doubt due to the efforts and remarkable pa-

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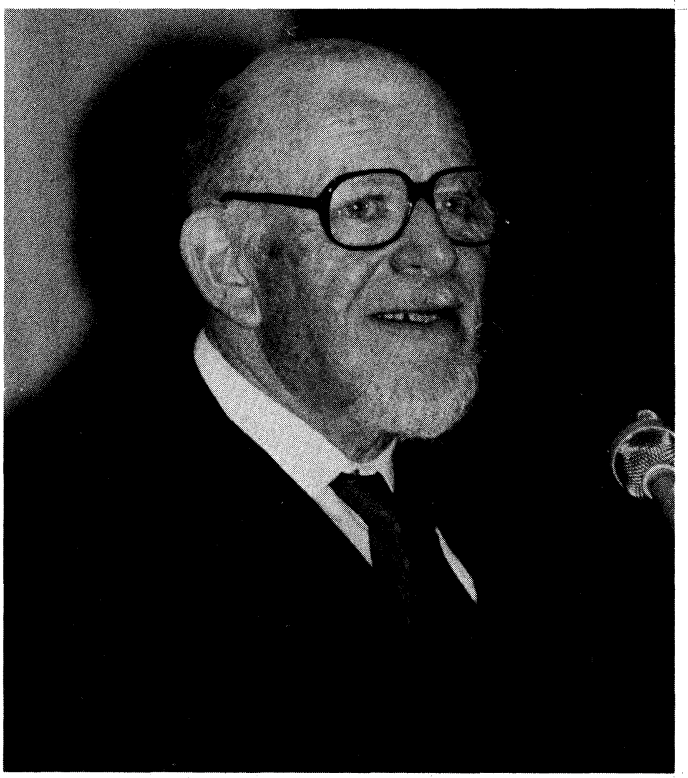

tiences of Mises' last pupils. There it became possible to revive Austrian economics.

I also imagine that Friedrich Hayek's having won the Nobel prize in 1974 has done something to promote interest in Austrian economics. Many people I know would ask, before 1974, "Who is Hayek?" I think that most economists by now know, or are beginning to find out. I would also point to the contribution to the debate in economics that John Hicks has made with his widely read essay "The Hayek Story," which I am sure has done some good.

LR: When did you personally begin to regain hope in the Austrian resurgence?
Lachmann: By the 1960s I had become very pessimistic about the future of Austrian economics. In 1970, I visited Vienna and found little reason for hope or optimism there. My hope for the future really began to revive at a conference—the first in a series—on Austrian economics sponsored by the Institute for Humane Studies, and held at Royalton College in South Royalton, Vermont. [The main papers from this conference are published in a book edited by Edwin Dolan, *The Foundations of Modern Austrian Economics.*] There, Murray Rothbard, Israel Kirzner, and I gave several lectures surveying Austrian economics and the neoclasssical orthodoxy. There were more than fifty participants from all regions of the United States and elsewhere.

I had come to the conclusion before then that Austrian economics was on the whole a faith of old men, of which I was one, and with us Austrian economics would die. But at South Royalton there was a whole house full of *young* Austrians, tumbling over each other, very eager to learn about Austrian economics. That, indeed, gave me great hope for the future.

LR: How did you come to be interested in both the Austrian school and Ludwig von Mises in the first place?
Lachmann: I grew up in the Germany of the Weimar Republic, where a kind of a moderate, evolutionary socialism was the officially accepted doctrine. I grew up in the midst of fierce disputes between the defendants of it, which meant the adherents on the higher intellectual level of the German Social Democratic Party (SPD)—the party which again in Germany today is the ruling party—and the true Marxists, who were sometimes Communists and sometimes belonged to the other, splinter parties of the Left in Germany during the Weimar Republic.

Now, I didn't like all this at all. I hated Marxism and I didn't think very much of the evolutionary socialists of the SPD. It seemed that the market economy in Germany, which had gone through fearful shocks in the First World War, and then the Great Inflation, had come out remarkably well. I was somewhat distressed that in the world in which I was growing up, the Germany of the 1920s, nobody seemed to defend the market economy, even though the evolutionary socialists admitted that Germany could not have existed without it. Yet nobody seemed to either identify what the market economy was, or to defend it. And since the teaching of economics, in particular at the University of Berlin, was very bad, one naturally looked around for something better. I simply don't remember when or where I came across one of Ludwig von Mises' writings. I came across one or two of his articles in the late 1920s, read them, and found them fascinating, so I read more of them. It was through reading Mises that I first came across Hayek in German, too.

LR: You had moved to the London School of Economics after the Nazi takeover?
Lachmann: Yes, and it was at that time that I came to meet and know Friedrich Hayek in his famous seminar. I had known Hayek's name, and had read his book *Prices and Production* in German before coming to London in the spring of 1933, so I knew *about* him. But I first met him in London in April, 1933, and then started to work under him as a graduate student.

LR: You say you moved out of Germany when the Nazis came in—would you view that as an escape, or just as a move?
Lachmann: At the time it was not an escape. I had a very small job in Berlin which I lost when Hitler came to power, a small job as a research assistant. It was obvious that I had no prospects, so to leave was the obvious thing, and it was relatively easy for me to leave because I didn't have to give up anything.

LR: The Austrian school at that time in the early 1930s was in a very predominant position in the general economic establishment, certainly relative to today. To what would you attribute the decline of the Austrian school in the 1930s?
Lachmann: When I came to the London School of Economics in 1933, I think it's fair to say that, with a few exceptions of certain lecturers who were politically committed to the Labor Party, nearly everybody was an Austrian, and everybody more or less acknowledged Hayek as the intellec-

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tual leader. When, six years later, in September 1939, the London School of Economics closed down for the Second World War, Hayek and I were the only "Austrians" left.

LR: To what do you attribute that decline?
Lachmann: Undoubtedly the rise of Keynesian economics. The situation is also described, as you know, in Hicks' little essay, "The Hayek Story," where he says the same thing. In 1933, the world of economists—certainly the British ones but I believe also the Americans—was divided between those who looked to Keynes and those who looked to Hayek. By the end of the 1930s Hayek's audience had dispersed. We have to ascribe it in the first place to the rising influence of Keynes. I think it is also of some significance that later on, when some of the Keynesians began to be afflicted by doubts, they nevertheless did not return to Hayek. Austrian economics has been dogged by a good deal of misfortune, by a sequence of disasters. The very fact that Hayek was so clearly the leader and there was almost nobody who would have been regarded as a second in command brought it about that when Hayek, at the end of the 40s, went away from economics to political philosophy, feeling as he well was entitled to, that problems in political philosophy in the 1950s would be more important than any economic problems, there simply was nobody left.

LR: What type of changes do you see when you look back on the Keynesian influence in the 1930s and since then?
Lachmann: This is a difficult question: Who today is a Keynesian? In a sense everybody now says he is a Keynesian—you know, Milton Freidman says we are all Keynesians today. On the other hand, there are even schools of thought contending for the honor of being the "true" Keynesians. I have never been very much of a Keynesian, though frankly I think more highly of Keynes and his work now than I did 40 years ago, when I first heard of *The General Theory.* I cannot agree with Hayek that the inflation with which we've been living in the midst of for 30 years is entirely the fault of Keynes. I am quite sure that if Keynes were living today, he would regard the inflation in which we are living as dangerous. He had a clear idea of the dangers of inflation. But it so happened that in the years in which he was most successful, in the 1930s, this seemed to be the *minor* evil.

LR: Did you have an opportunity to meet Keynes?
Lachmann: I saw Keynes three times in my life. I once met him in Cambridge in 1931, and then I saw him twice at the London School of Economics. Once he came to a meeting of the London Economic Club, of which I was a member, when the Swedish economist Professor Heckscher gave a talk on mercantilism, in which he subjected Keynes' "Notes on Mercantilism" to some thorough criticism. Keynes had come down from Cambridge in order to listen. For Keynes, that was not a very successful evening, needless to say. The last occasion on which I remember meeting Keynes was in the spring of 1937 when he addressed the students of the London School of Economics on the coming boom. He started by saying that "you must realize that the situation has now changed and many people in this room may be surprised at some of the things I am going to say. The plain fact is that we are not in a depression and we seem to be engaged in a boom." Then he recommended certain measures, one of them being the reduction of British tariffs. He did say that the one thing you should not tinker with was the rate of interest. One should not allow interest rates to rise because it would be so very difficult to get them down again in the future.

LR: A number of people, including Hayek and Lord Robbins, have commented on the almost irresistable impact of listen to or talking to Keynes, his way of seeming to totally convince you with his personality. Did you find him so?
Lachmann: No, I did not. I found him impressive in argument, clever, and he gave the impression of a man who had thought a lot, the general impression of a thinker. But the strange sort of almost mesmeric effect that Robbins and others describe I had never felt. The reason may be that I never had any intimate contact with him. Of the three occasions I described, two were meetings I attended. Hayek and Robbins of course knew Keynes intimately. So far as I am concerned, I found him impressive, clever, and not much more than that.

LR: One of today's most widely held ideals is that of equality. In your analyses of the market economy, you have emphasized that it is fundamentally impossible to combine a market economy with egalitarianism, with equality of results or of opportunity. Could you explain?
Lachmann: Egalitarianism is one of the favorite myths of our century. No thinking person can fail to see that as human societies become more civilized and complex, inequalities are bound to increase in various ways. This is simply a corollary of the division of labor, and of the fact that people are different in a great many ways. I therefore quite agree with Ludwig von Mises when he claims that the inequality of incomes and wealth is an inherent feature of the market economy. The market economy creates inequality inevitably because men are not equal.

In the market economy, there are the successful and the unsuccessful. Now, if you have embedded in the political system the notion of interventionism, then we will tend to find that the economically unsuccessful will try, via their political influence, to undo the results of the market. If the state tries to make all its citizens equal—something that is impossible in any case—then the results are likely to be somewhat unhappy, as we see in the case of the modern welfare state.

The first thing to point out is that it is impossible to have *both* equality of results and a free market economic system. Suppose, for a moment, that you were to redistribute all income and wealth so that everyone started out economically equal. If freedom of exchange were allowed, then very quickly, because people have different value scales, we would have a spontaneous, voluntary rearrangement of property which would result, by some criterion or another, in "inequality." Only by continual state interferrence in people's lives could we *keep* people "equal."

Moreover, look at the effect that the stock market muust have on this initial "equality." Perhaps the most important

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economic function of the stock market or exchange is the redistribution of wealth by means of constant changes in capital values, continual capital gains and losses, in accordance with the market's view about the probable future success or failure, relatively speaking, of business enterprises. So devotees of a redistribution of wealth in the name of "social justice" ought to be aware that, even if the state were *able* to use coercion to produce a supposedly "socially desirable" mode of distribution of wealth *today,* if we permit the market to function—which means if we permit freedom of *exchange*—we would, because of capital gains and losses, as well as just plain different uses of wealth, arrive at a very different distribution of wealth tomorrow. So there can be no equality of results on a free market, even if "starting places" are the same.

LR Some advocates of the welfare state would reply that it is important to give everyone a fair chance to start with; for example, an equal opportunity for certain training or education. They argue that only if there is this equal opportunity in the beginning is it then appropriate to let people face whatever happens in the marketplace.

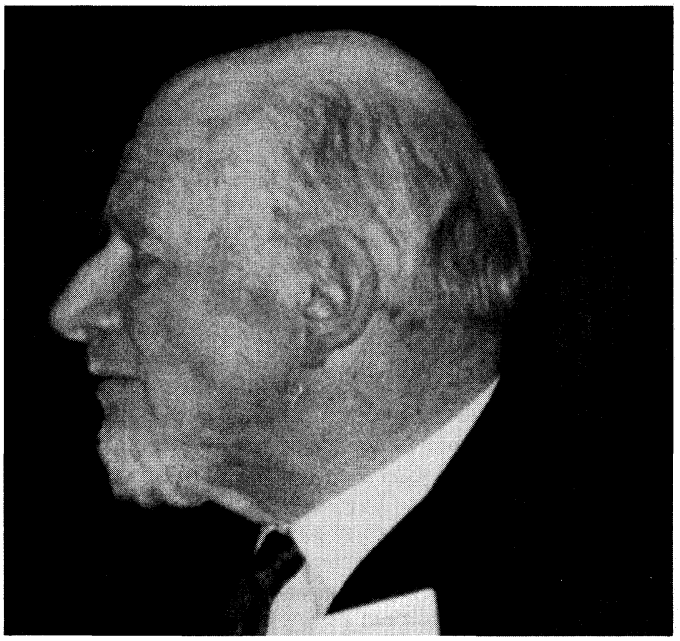
Lachmann: But this is an impossibility, giving everybody the *same* opportunity. Even if you made sure that every school in the country is an exact replica of every other school it would still remain impossible. And even if you had managed to obtain this unlikely result, the fact would still be that the products of the various schools would have different occasions to *apply* what they have learned. They would *use* what they learned differently. The reason for this is simply that every man's life is different from every other man's life. The opportunities, literally speaking, that come along one man's way and another man's way are simply not the same, and it is not given to any power on earth to make these opportunities even or equal.

In fact, if one thinks about it, one sees what a fantastic world it would have to be in which all people have the same opportunities. It would have to be a world in which everybody has the same *experience.* It is *absurd.*

LR: It is often said that it is possible to make income redistribution compatible with the market economy. Resources would be directed according to market processes. But after the income has been received, it could then be *redistributed* to help those who are in need. Now, does this make egalitarianism and the market economy compatible?

Lachmann: No, because the more successful members of society know that they will only be able to retain a *portion* of what they can gain. Since the high incomes and profits in a market economy require human effort, plus a peculiar con stellation of luck and favorable circumstances, it is quite obvious that high taxation will naturally act as a disincentive to those who have to take considerable risks. So the more risky chances will not be taken, and people will reduce the effort they spend on their economic action to the level that seems, to the people concerned, worthwhile.

LR: Couldn't we also argue that egalitarianism is just as incompatible with central planning because attempts to create such central planning, in the Soviet Union and other places, have resulted in even more striking examples of inequality?



Lachmann: You are quite right. In fact, this is Friedrich Hayek's main argument; in order to create the supposedly egalitarian socialist society, you have to create the *articifial inequality* between the planners and the planned. You have to divide the population between the small number of planners, who presumably are planners by appointment or by some kind of *ad hoc* procedure, and the rest of society that is being planned by them. One of the arguments in favor of the market economy and the society on which it rests is that *anybody* has a chance of improving himself. *Anybody* can *try* when opportunities come his way. Or, to put it the other way, there is, from the beginning, no such thing as a process by which the leaders of society are designated. In other words, what you typically find in a *laissez-faire,* free-market society, as Pareto said, is that the rise and fall of elites is characteristic of that kind of free society. In a free society the circulation of elites takes place in the form of a *natural process;* whereas in a socialist society this would be an *artificial process,* determined by the state.

LR: In what sense is the circulation of the elites a natural process in the unhampered market economy?

Lachmann: Because the children of successful people will not necessarily be successful. The unsuccessful, on the other hand, may well have children who are most talented. The talented children will then rise and the others will fall.

LR: Some people aruge for socialism by claiming that with socialism we can minimize best the uncertainty that people face in a free-market economy. They claim that central economic planning provides for some element of stability in people's lives. How would you answer that?

Lachmann: The future is uncertain whether we have a market society *or* a socialist society. The difference is that in the market society, at least some of the consequences of the uncertainty fall on the uncertainty *bearers;* whereas in a socialist society it is by no means clear where it falls—it probably falls on the majority of the people. You see, the

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world is *always* uncertain, but the market society permits some people to *specialize* in bearing uncertainty. This seems to me a very desirable device to which, in a socialist society, there is no counterpart—and can be no counterpart.

LR: Those who advocate central, national economic planning often claim, however, that in a centrally planned economy you can eliminate a lot of the uncertainty, by coordinating a multitude of individual plans by one over-all national plan.

Lachmann: The older form of central planning tried to achieve some sort of stability by substituting an overall national plan for the individual plans of the members of society. This sort of "plan" broke down basically for the reasons set forth by Mises and Hayek: It could not attain the results sought. Economic calculation was impossible without a market for capital goods—and the resulting prices for productive factors—and, in addition, it became impossible to make use of decentralized bits of knowledge, of particular facts scattered throughout society. As I say, this sort of plan failed to achieve the results aimed at.

The newer form of planning—such as the "indicative planning" advocated in recent years—tries to coordinate centrally various individual plans.

But the central plan can, at best, only coordinate those plans which the various economic agents have available at the moment. The central plan cannot prevent events from happening that would make economic agents want to *change* their plans. Such events *will happen.* They are typical of a society in which people learn, in whch scientific and technical knowledge increases rapidly. So, while it is true that the central plan might theoretically coordinate the plans of various economic agents at any given moment, there is no protection against the *unexpected* happening. The fact that the unexpected can and will happen sets limits to any possiblility of planning the future.

LR: Well then, how would you view the development in Eastern Europe of what is called "market socialism," where you try to have managers directing the factories in response to market forces, yet the factors of production remain owned by the state?

Lachmann: Firstly, the factory managers are not appointed or demoted in accordance with their success. They are simply *there,* and though their promotion *may* depend on their success, you can't suddenly appoint new managers. Quite clearly, modern managerial bureaucracy, like any other bureaucracy, requires an element of continuity. As regards the socialist market economy, the arguments that Ludwig von Mises used are surely applicable., There can be an economy in which there are markets for consumption, and in which the managers of the enterprise of the consumption goods sectors—factories, stores, and so on—are instructed to act *as though they were* in the market, presumably raising prices when there is an excess demand, lowering prices when there is an excess supply. All this in no way satisfies the requirement of the market economy, since there is no market in *capital goods.* Here Mises was quite right: Without a market in capital goods, which would allow for rational pricing of capital goods—without a stock exchange—you cannot have a market economy. And it is clear to all of us why in Eastern Europe you can't have a stock exchange: because there the state owns the means of production. That is the vital matter.

You have a real market economy only when it is possible to trade in titles to productive assets, to capital goods, and you have a stock exchange. However many industries may be socialized, as long as you have a stock exchange, you still have essentially a market economy. On the other hand, it is the absence of a market for capital resources that identifies a socialist economy.

LR: Isn't it difficult to say that the Eastern European economies have *either* a market economy or a centrally planned economy? There are prices for consumer goods and an immense black market for trading resources in the capital market. Is there a difficulty in categorizing these economic systems?

Lachmann: It depends on where we want to draw the line. I've just said that a market economy requires a stock exchange, a market for capital goods and the titles to them. Now, in an economy in which you have not got a stock exchange, you presumably can get all kinds of forms of organization. But it seems to me that in this mixed approach there is the danger of chaos. On the one hand, you have a market economy in which productive activity is geared to what consumers want based upon the profit-and-loss expectations of the capital owners who produce consumer goods. On the other hand, you get central planning. In between, you get the danger of syndicalism, of producers who could not do something else or go into some other kind of business even if they wanted to. The workers in a certain kind of industry, say a glue factory, happen to "own" that factory. But they are still not in the position of the factory owner in a market economy because they cannot *sell* their titles to ownership to *others.* This means that in a market economy, if there's a decline in the demand for glue, and some glue factories have to go out of business, their owners would have to try and do something else. But in an economy organized on syndicalistic lines, with workers' control, how do you do that? Who decides how many workers leave the glue industry and learn to do something else? And besides, what happens to those who *disagree* with decisions made by the majority under "workers' control?"

LR: A number of years ago, you wrote an article in which you talked about the peculiar situation of unions, having as they do one foot in the market economy and one foot in the political arena. I was wondering if you could elaborate on that.

Lachmann: It should be clear by now, to anyone who has lived through the last 50 years with his eyes open, that the Western world would be a better world if trade unions had never been invented. However, they are now there and for obvious reasons we have to live with them. Now I think what we should do is encourage trade union members to exercise strict control over their officials. In general it is a matter of disabusing the public mind of the idea that much is to be expected from trade unions. A good deal of educational work remains to be done. The ordinary trade union members

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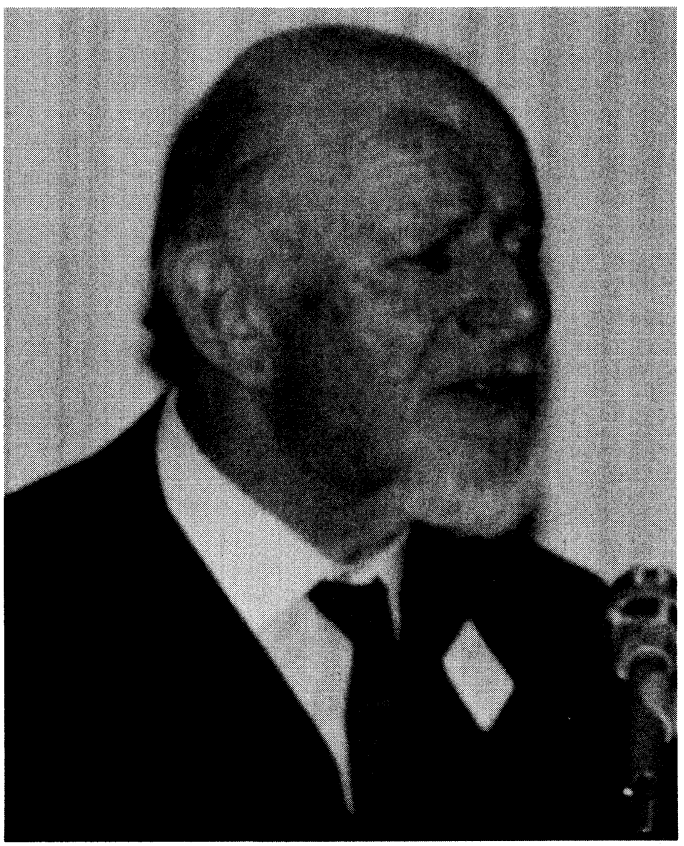
should learn that whether he or she can expect an improvement in his or her real income depends on a number of circumstances that union membership has little to do with. The problem involves the spreading of some enlightenment and education among union members and encouraging them to exercise some control over their leaders. Since union leaders are often more afraid of their own membership than of public opinion, we should somehow persuade union members to make it clear to their leaders that they are at least as intelligent and as enlightened as public opinion is.

Partly it's a matter of simply undermining some of the dogmas that public opinion has accepted in the last 50 years. For instance, now it seems to be universally accepted in the West that no money wage rate must ever fall. People must be told that sometimes it is in the interest of wage earners that their wages should fall, because if they do fall they may get employment opportunities that they would otherwise not have. Every businessman in the centuries that the market economy has lasted has known that sometimes it pays him to reduce the prices of the goods he sells. Why should workers be exempt from that? This I regard as one of the most insidious dogmas that we must now live with, the dogma that no money wage rate must ever be allowed to fall. The implication, of course, is that if real wages are too high—uneconomically so, causing significant unemployment—then they should be lowered by means of *inflation,* by reducing the real value of money wages. The alternative would be a straightforward reduction of wage rates whenever the value of work does not justify the continued payment of the former wage. This would lead to needed economic readjustments and to a realistically-conceived "full employment."



LR: Are you happy with the experience and the success of your three years here at NYU?
Lachmann: Yes, I certainly am. I don't know how much good I have done. Of course, it was clear to me from the start that this would be an uphill job. I do think we now have the kernal of an elite group of young "Austrian" thinkers and I think the time has come when some of us older ones should hand the reins over to them.

LR: Well, we hope you are not ready to hand over the reins entirely yet. We're hoping for a few more good years of production out of you.
Lachmann: I hope to come to New York University from time to time and have a look at the way things are going. Yet it is a fact that from now onwards, what progress is made by Austrian economics will depend largely on the efforts and achievements of the young Austrians who will gradually take over as time passes. I really think now we have got a base; how much use will be made of it and with what success, only the future can show.

LR: What are you planning to work on when you return to South Africa?
Lachmann: I intend to write. I intend to study the whole problem of the market process. We Austrians say we have a better paradigm than the neoclassical economists. We oppose neoclassical general equilibrium theory. But so do other people. If we are asked what we have got to offer if we are against neoclassical general equilibrium, what are we *for?* What is the paradigm we propose? We *must* have an answer. And of course the Austrian answer is the *market process.* I've come to think that we should explain in some detail what we mean by the market process—how the market process would work as between the different markets, as I think we Austrians should insist that not all markets are the same. There are certain markets in which expectations are very important and are very different from ordinary product markets. And secondly, after studying the effect of the market process on the capital structure—I try to do that in my book *Capital and Its Structure,* which will soon be reprinted—there is finally the problem of distribution of wealth. You mentioned earlier in the interview that there are people who say they are in favor of the market economy, but only after redistribution of wealth which will give all people an equal chance—and *then* we let the market do its best. The most important point, which I made 20 years ago in the first Mises *Festschrift—On Freedom and Free Enterprise,* edited by Mary Sennholz—is that the distribution of wealth at any point of time is itself the result of market processes, so long as the state doesn't intervene. Murry Rothbard, of course, had made this point, but I don't think anyone else has. In a market society, the distribution of wealth at any moment is the cumulative result of the market processes of the past, and this is one of the things in which I propose to take an interest when I retire to spend most of my time thinking.

LR: Thank you, Professor Lachmann.

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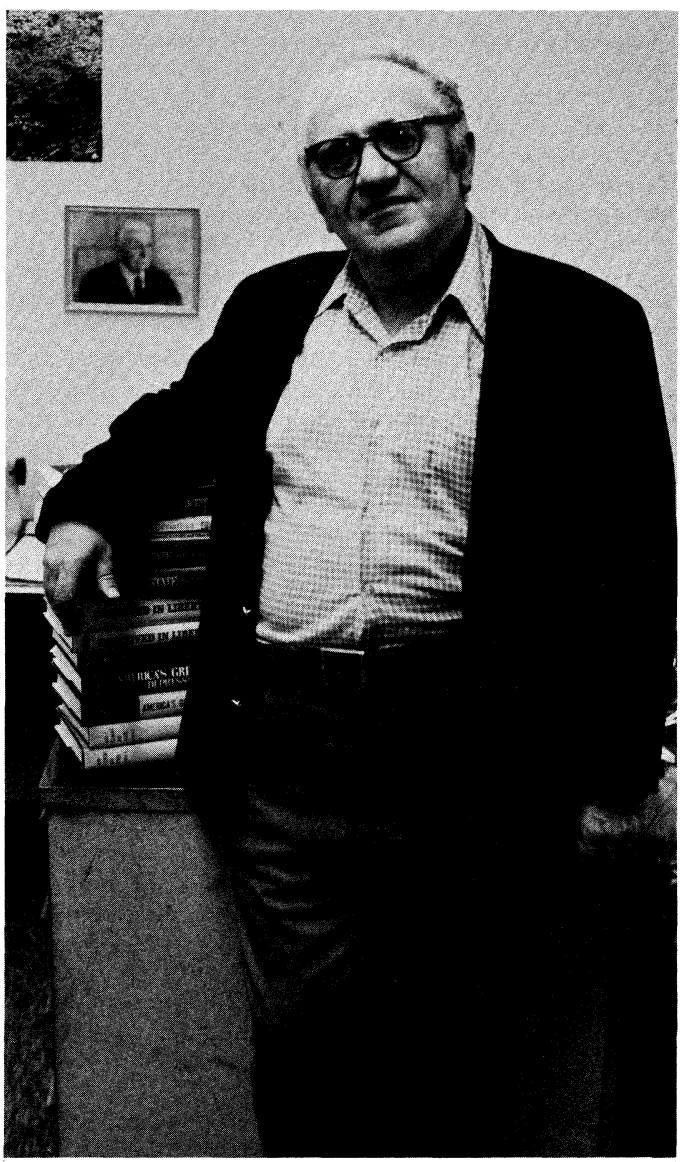
SOVIET FOREIGN POLICY

A Revisionist Perspective

by Murray N. Rothbard

When Murray Rothbard's* For a New Liberty *was first published in 1973, it was immediately hailed as one of the best book-length treatments of the libertarian ideology for a general audience. Now, five years later, Rothbard has completely revised the work, adding a host of new material and information, to broaden and update it. This second edition, containing entire new chapters, will be published this year in a quality paperback edition by MacMillan & Co. This excerpt, published here for the first time, is a small part of the additions to the foreign policy chapter.* LR *is thankful to Dr. Rothbard for permission to publish the selection in this issue of* Libertarian Review. *Copyright © 1978 by Murray N. Rothbard.



Murray N. Rothbard

Since World War II, American military and foreign policy, at least rhetorically, has been based upon the assumption of a looming threat of Russian attack—an assumption that has managed to gain public approval for global American intervention and for scores of billions in military expenditures. But how realistic, how well grounded, *is* this assumption?

First, there is no doubt that the Soviets, along with all other Marxist-Leninists, would *like* to replace all existing social systems by Communist regimes. But such a sentiment, of course, scarcely implies any sort of realistic threat of attack—just as an ill wish in private life can hardly be grounds for realistic expectation of imminent aggression. On the contrary, Marxism-Leninism itself believes that victory of Communism is inevitable—*not* on the wings of outside force, but rather from accumulating tensions and "contradictions" within each society. So that Marxism-Leninism considers internal revolution (or, in the current "Eurocommunist" version, democratic change) for installing Communism to be inevitable. At the same time, it holds any coercive external imposition of Communism to be at best suspect, and at worst disruptive and counter-productive of genuine organic social change. Any idea of "exporting" Communism to other countries on the back of the Soviet military is totally contradictory to Marxist-Leninist theory.

We are not saying, of course, that Soviet leaders will never do anything contrary to Marxist-Leninist theory. But to the

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extent that they act as ordinary rulers of a strong Russian nation-state, the case for an imminent Soviet threat to the U.S. is gravely weakened. For the sole alleged basis of such a threat, as conjured up by our Cold Warriors, is the Soviet Union alleged devotion to Marxist-Leninist theory and to its ultimate goal of world Communist triumph. If the Soviet rulers were simply to act as Russian dictators consulting only their own nation-state interests, then the entire basis for treating the Soviets as a uniquely diabolic source of imminent military assault crumbles to the ground.

When the Bolsheviks took power in Russia in 1917, they had given little thought to a future Soviet foreign policy, for they were convinced that Communist revolution would soon follow in the advanced industrial countries of Western Europe. When such hopes were dashed after the end of World War I, Lenin and his fellow Bolsheviks adopted the theory of "peaceful coexistence" as the basic foreign policy for a Communist state. The idea was this: as the first successful Communist movement, Soviet Russia would serve as a beaconlight and supporter of other Communist parties throughout the world. *But* the Soviet state *qua* state would devote itself to peaceful relations with all other countries, and would not attempt to export Communism through interstate warfare. The idea here was not just to follow Marxist-Leninist theory, but the highly practical course of holding the survival of the existing Communist state as the foremost goal of foreign policy: that is, never to endanger the Soviet State by courting interstate warfare. Other countries would be expected to become Communits by their own internal processes.

Thus, fortuitiously, from a mixture of theoretical and practical grounds of their own, the Soviets arrived early at what libertarians consider to be the only proper and principled foreign policy. As time went on, furthermore, this policy was reinforced by a "conservatism" that comes upon all movements after they have acquired and retained power for a length of time, in which the interests of keeping power over one's nation-state begins to take more and more precedence over the initial ideal of world revolution. This increasing conservatism under Stalin and his successors strengthened and reinforced the nonaggressive, "peaceful coexistence" policy.

The Bolsheviks, indeed, began their success story by being literally the only political party in Russia to clamor, from the beginning of World War I, for an immediate Russian pullout from the war. Indeed, they went further, and courted enormous unpopularity by calling for the defeat of "their own" government ("revolutionary defeatism"). When Russia began to suffer enormous losses, accompanied by massive military desertions from the front, the Bolsheviks, guided by Lenin, continued to be the only party to call for an immediate end to the war—the other parties still vowing to fight the Germans to the end. When the Bolsheviks came to power, Lenin, over the hysterical opposition of even the majority of the Bolshevik central committee itself, insisted on concluding the "appeasement" peace of Brest-Litovsk in March 1918. Here,Lenin succeeded in taking Russia out of the war, even at the price of granting to the victorious German army all the parts of the Russian Empire which it then occupied (including White Russia and the Ukraine.) Thus, Lenin and the Bolsheviks began their reign by being not simply a peace party, but virtually a "peace-at-any-price" party.

After World War I and Germany's defeat, the new Polish state attacked Russia nd succeeded in grabbing for itself a large chunk of White Russia and the Ukraine. Taking advantage of the turmoil and civil war within Russia at the end of the world war, various other national groups—Finland, Estonia, Latvia, and Lithuania—decided to break away

Lenin and the Bolsheviks began their reign by being not simply a peace party, but virtually a "peace-at-any-price" party.

from the pre-World War I Russian Empire and declare national independence. While Leninism pays lip-service to national self-determination, it was clear to Soviet rulers from the very beginning that the boundaries of the old Russian state were supposed to remain intact. The Red Army reconquered the Ukraine, not only from the Whites, but also from the Ukrainian nationalists and from the indigenously Ukrainian anarchist army of Nestor Makhno. For the rest, it was clear that Russia, like Germany in the 1920s and 1930s, was a "revisionist" country *vis a vis* the post-war settlement at Versailles: i.e., the lodestar of both Russian and German foreign policy was to recapture their pre-World War I borders—what they both considered the "true" borders of their respective states. It should be noted that *every* political party or tendency in Russia and Germany, whether ruling the state or in opposition, agreed with this aim of full restoration of national territory.

But, it should be emphasized, while Germany under Hitler took strong measures to recapture the lost lands, the cautious and conservative Soviet rulers did absolutely nothing. Only after the Stalin-Hitler pact and the German conquest of Poland, did the Soviets, now facing no danger in doing so, recapture their lost territories. Specifically, the Russians repossessed Estonia, Latvia, and Lithuania, as well as the old Russian lands of White Russia and the Ukraine that had been Eastern Poland. And they were able to do so without a fight. The old, pre-World War I Russia had now been restored with the exception of Finland. But Finland was prepared to fight. Here, the Russians demanded, not the reincorporation of Finland as a whole, but only of parts of the Karelian Isthmus which were ethnically Russian. When the Finns refused this demand, the "Winter War" (1939-40) between Russia and Finland ensued, which ended with the Finns victorious and conceding nothing.

On June 22, 1941, Germany, triumphant over everyone but England in the West, launched a sudden massive, and unprovoked assault on Soviet Russia, an act of aggression aided and abetted by the other pro-German states in Eastern Europe—Hungary, Romania, Bulgaria, Slovakia, and Fin-

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land. This German and allied invasion of Russia soon became one of the pivotal facts in the history of Europe since that date. So unprepared was Stalin for the assault, so trusting was he in the rationality of the German-Russian accord for peace in Eastern Europe, that he had allowed the Russian army to fall into disrepair. So unwarlike was Stalin, in fact, that Germany was almost able to conquer Russia in the face of enormous odds. Since Germany otherwise would have been able to retain control of Europe indefinitely, it was Hitler who was led by the siren call of anti-Communist ideology to throw away a rational and prudent course and launch what was to be the beginning of his ultimate defeat.

World War II and the Soviets

The mythology of the Cold Warriors often concedes that the Soviets were not internationally aggressive *until* World War II—indeed, they are compelled to assert this point, since most Cold Warriors heartily approve the World War II alliance of the United States with Russia against Germany. It was during and immediately after the war, they assert, that Russia became expansionist and drove its way into Eastern Europe.

What this charge overlooks is the central fact of the German and associated assault upon Russia in June 1941. There is no doubt about the fact that Germany and her allies launched this war. Hence, in order to defeat the invaders, it was obviously necessary for the Russians to roll back the invading armies and conquer Germany and the other warring countries of Eastern Europe. It is easier to make out a case for the United States being expansionist for conquering and occupying Italy and part of Germany than it is for Russia doing so—after all, the United States was never directly attacked by the Germans.

During World War II, the United States, Britain, and Russia—the three major Allies—had agreed on joint three-power military occupation of all the conquered territories. The United States was the first to break the agreement during the war by allowing Russia no role whatever in the military occupation of Italy. Despite this serious breach of agreement, Stalin displayed his consistent preference for the conservative interests of the Russian nation-state over cleaving to revolutionary ideology by repeatedly betraying indigenous Communist movements. In order to preserve peaceful relations between Russia and the West, Stalin consistently tried to hold back the success of various Communist movements. He was successful in France and Italy, where Communist partisan groups might easily have seized power in the wake of the German military retreat; but Stalin ordered them not to do so, and instead persuaded them to join coalition regimes headed by anti-Communist parties. In both countries, the Communists were soon ousted from the coalition. In Greece, where the Communist partisans almost *did* seize power, Stalin irretrievably weakened them by abandoning them and urging them to turn over power to newly invading British troops.

In other countries, particularly ones where Communist partisan groups were strong, the Communists flatly refused Stalin's requests. In Yugoslavia, the victorious Tito refused Stalin's demand that Tito subordinate himself to the anti-Communist Mihailovich in a governing coalition; and Mao refused a similar Stalin demand that he subordinate himself to Chiang kai-Shek.There is no doubt that these rejections were the beginning of the later extraordinarily important schisms within the world Communist movement.

Russia, therefore, governed Eastern Europe as military occupier after winning a war launched against her. Russia's initial goal was not to Communize Eastern Europe on the backs of the Soviet Army. Her goal was to gain assurances that Eastern Europe would not be the broad highway for an assault on Russia, as it had been three times in half a century—the last time in a war in which over twenty million Russians had been slaughtered. In short, Russia wanted countries on her border which would not be anti-Communist in a military sense, and which would not be used as a springboard for another invasion. Political conditions in Eastern Europe were such that only in more modernized Finland did non-Communist politicians exist whom Russia could trust to pursue a peaceful line in foreign affairs. And in Finland, this situation was the work of one far-seeing statesman, the agrarian leader Julio Paasikivi. It was because Finland, then and since, has firmly followed the "Paasikivi line" that Russia was willing to pull its troops out of Finland and not to insist on the Communization of that country—even though it had fought two wars with Finland in the previous six years.

Even in the other Eastern European countries, Russia clung to coalition governments for several years after the war, and only fully Communized them in 1948—after three years of unrelenting American Cold War pressure to try to oust Russia from these countries. In other areas, Russia readily pulled its troops out of Austria and out of Azerbaijan.

The Cold Warriors find it difficult to explain Russian actions in Finland. If Russia is always hellbent to impose Communist rule wherever it can, why the "soft line" on Finland? The only plausible explanation is that its motivation is security for the Russian nation-state against attack, with the success of world Communism playing a very minor role in its scale of priorities.

Schisms and world communism

In fact, the Cold Warriors have never been able either to explain or absorb the fact of deep schisms in the world Communist movement. For if all Communists are governed by a common ideology, then every Communist everywhere should be part of one unified monolith, and one which, given the early success of the Bolsheviks, would make them subordinates or "agents" of Moscow. If Communists are mainly motivated by their bond of Marxism-Leninism, why do we have the deep China-Russia split, in which Russia, for example, keeps one million troops at the ready on the China-Russia frontier? Why is there such enmity between the Yugoslav Communist and the Albanian Communist states? How can there be an actual military conflict between the Cambodian and Vietnamese Communists? The answer, of course, is that once a revolutionary movement seizes state

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power, it very quickly begins to take on the attributes of a ruling class, with a class interest in retaining state power. The world revolution begins to pale, in their outlook, to insignificance. And since state elites can and do have conflicting interests in power and wealth, it is not surprising that inter-Communist conflicts have become endemic.

Since their victory over German military aggression in World War II, the Soviets have continued to be conservative in their military policy. Their only use of troops has been to *defend* their territory in the Communist bloc, rather than to extend it further. Thus, when Hungary threatened to leave the Soviet block in 1956, or Czechoslovakia in 1968, the Soviets intervened with troops—reprehensibly, to be sure, but still acting in a conservative and defensive, rather than expansionist, manner. (The Soviets apparently gave considerable thought to invading Yugoslavia when Tito took that country out of the Soviet bloc, but were deterred by the formidable qualities for guerrilla fighting of the Yugoslav army.) In no case has Russia used troops to extend its bloc or to conquer more territories.

There is no correlation between degrees of internal freedom in a country and how much external aggressiveness it displays.

Professor Stephen F. Cohen, director of the program in Russian studies at Princeton, has delineated the nature of Soviet conservatism in foreign affairs in a recent issue of *Inquiry:*

> That a system born in revolution and still professing revolutionary ideas should have become one of the most conservative in the world may seem preposterous. But all those factors variously said to be most important in Soviet politics have contributed to this conservatism: the bureaucratic tradition of Russian government before the revolution; the subsequent bureaucratization of Soviet life, which proliferated conservative norms and created an entrenched class of zealous defenders of bureaucratic privilege; the geriatric nature of the present-day elite; and even the official idology, whose thrust turned many years ago from the creation of a new social order to extolling the exisitng one . . .
>
> In other words, the main thrust of Soviet conservatism today is to preserve what it already has at home and abroad, not to jeopardize it. A conservative government is, of course, capable of dangerous militaristic actions, as we saw in Czechoslovakia . . . but these are acts of imperial protectionism, a kind of defensive militarism, not a revolutionary or aggrandizing one. It is certainly true that for most Soviet leaders, as presumably for most American leaders, detente is not an altruistic endeavor but the pursuit of national interests. In one sense, this is sad. But it is probably also true that mutual self-interest provides a more durable basis for detente than lofty, and finally empty, altruism. ("Why Detente Can Work," December 19, 1977)

Similarly, as impeccable an anti-Soviet source as former CIA Director William Colby finds the overwhelming concern of the Soviets in the defensive goal of avoiding another catastrophic invasion of their territory. As Colby testified before the Senate Foreign Relations Committee:

> You will find a concern, even a paranoia, over their (the Soviets') own security. You will find the determination that they shall never again be invaded and put through the kinds of turmoil that they have been under and many different invasions . . . I think that they . . . want to overprotect themselves to make certain that that does not happen . . .

Even the Chinese, for all their bluster, have pursued a conservative and pacific foreign policy. Not only have they failed to invade Taiwan, recognized internationally as part of China, but they have even allowed the small offshore islands of Quemoy and Matsu to remain in Chiang kai-Shek's hands. No moves have been made against the British- and Portuguese-occupied exclaves of Hong Kong and Macao. And China even took the unusual step of declaring a *unilateral* cease-fire and withdrawal of forces to its border after having triumphed easily over Indian arms in their escalated border war. (See Neville Maxwell, *India's China War* [New York: Pantheon Books, 1970]. Neither is China's reconquest and suppression of national rebellion in Tibet a valid point against our thesis. For Chiang kai-Shek as well as all other Chinse have for many generations considered Tibet as part of Greater China, and Chia was here acting in the same conservative, nation-state manner as we have seen has guided the Soviets.)

Avoiding a priori *history*

There is still one thesis common to Americans and even to some libertarians that may prevent them from absorbing the analysis of this chapter: the myth propounded by Woodrow Wilson that democracies must inevitably be peace-loving while dictatorships are inevitably warlike. This thesis was of course highly convenient for covering Wilson's own culpability for dragging America into a needless and monstrous war. But, there is simply no evidence for this assumption. Many dictatorships have turned inward, cautiously confining themselves to preying on their own people. Examples range from pre-modern Japan to Communist Albania to innumerable dictatorships in the Third World today. Uganda's Idi Amin, perhaps the most brutal and repressive dictator in today's world, shows no signs whatever of jeopardizing his regime by invading neighboring countries. On the other hand, such an indubitable democracy as Great Britain spread its coercive imperialism across the globe during the nineteenth and earlier centuries.

The theoretical reason why focusing on democracy or dictatorship misses the point is that *states—all* states—rule their population and decide whether or not to make war. And *all* states, whether formally a democracy or dictatorship or some other brand of rule, are run by a ruling elite. Whether or not these elites, in any particular case, will make war upon another state, is a function of a complex interweaving web of causes, including the temperament of the rulers, the strength of their enemies, the inducements for war, public opinion, etc. While public opinion has to be gauged in either case, the only real difference between a democracy and a dictatorship on making war is that in the former, *more* propaganda must be beamed at one's subjects to engineer their approval. Intensive propaganda is necessary in any case—as we can see by the zealous opinion-

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moulding behavior of all modern warring states. But the democratic state must work harder and faster. And also the democratic state must be more hypocritical in using rhetoric designed to appeal to the values of the masses: justice, freedom, national interest, patriotism, world peace, etc. So that in democratic states, the art of propaganda the elite uses over its subjects must be a bit more sophisticated and refined. But this, as we have seen, is true of *all* governmental decisions, not just war or peace. For all governments—but especially democratic governments—must work hard at persuading their subjects that all of their deeds of oppression are *really* in their subjects best interests.

What we have said about democracy and dictatorship applies equally to the lack of correlation between degrees of internal freedom in a country and its external aggressiveness. Some states have proved themselves perfectly capable of allowing a considerable degree of freedom internally, while making aggressive war abroad, while others have shown themselves capable of totalitarian rule internally while pursuing a pacific foreign policy. The examples of Idi Amin, Albania, China, Great Britain, etc. apply equally well in this comparison.

In short, libertarians and other Americans must guard against *a priori* history: in this case, against the assumption that, in any conflict, that state which is more democratic or allows more internal freedom is necessarily or even presumptively the victim of aggression by the more dictatorial or totalitarian state. There is simply no historical evidence whatever for such a presumption. In deciding on relative rights and wrongs, on relative degrees of aggression, in any dispute in foreign affairs, there is no substitute for a detailed, empirical, historical investigation of the dispute itself. It should occasion no great surprise, the, if such an investigation concludes that a democratic and relatively far freer United States has been more aggressive and imperialistic in foreign affairs than a relatively totalitarian Russia or China. Conversely, hailing a state for being less aggressive in foreign affairs in no way implies that the observer is in any way sympathetic to that state's internal record. It is vital—indeed, it is literally a life-and-death matter—that Americans be able to look as coolly and clear-sightedly, as free from myth, at their government's record in foreign affairs as they increasingly are able to do in domestic politics. For war and a phony "external threat" have long been the chief means by which the state wins back the loyalty of its subjects. War and militarism were the gravediggers of classical liberalism; we must not allow the state to get away with this ruse ever again.

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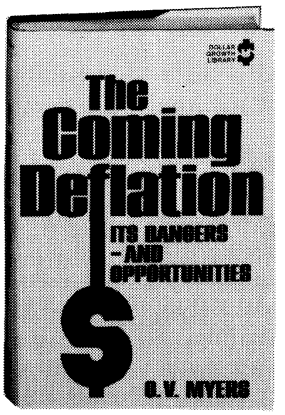

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Who's twisting now?

a response to Edith Efron

by David Ramsay Steele

If there is a malady . . . . , it is the intellectual crudity and rigidity of these stereotyped selective and exclusionary processes.

—*Edith Efron,* The News Twisters

Edith Efron's chief claim to fame is *The News Twisters* (1972), a scathing indictment of unfair bias by the television networks during the 1968 presidential election. Now, she has aimed her fire not at the mighty triumvirate ABC-NBC-CBS, but at certain individuals and groups within the very unmighty libertarian movement.

In an article entitled "Warning to Constitutional Republicans" in the February issue of *Reason,* Efron raises issues of tremendous import for all libertarians. Unfortunately, there is so much unfairness, misrepresentation, and twisting in her account that rational discussion of these very issues is endangered. Her inaccuracies and distortions are as bizarre and audacious as the choicest examples she slammed in *The News Twisters.*

Aha! A *contextual* blunder? Not in the least. It is true that Efron's piece appeared in the *Viewpoint* column in *Reason,* and no one can reasonably apply standards appropriate to TV news, operating under the Fairness Doctrine, to a personal column in a libertarian periodical. All the same, there are standards. A measure of respect for the truth is one. Some degree of critical discrimination is another. By these standards, her piece must be judged careless, untidy, and well below what she is capable of when she tries.

I begin with questions of fact. It is astonishing how many palpable untruths are crammed into this single article. As we will see, the errors of fact are themselves inspired by sloppy lack of discrimination, and there are borderline cases: falsehoods which are not stated but very clearly implied. But let us begin with plain factual inaccuracies—statements she makes that are demonstrably such to anyone who can see that A is A and 1 plus 1 is equal to 2.

***First untruth:* "Libertarians running for office have blindly supported every 'liberation' movement—Gay Lib, Transvestite Lib, Women's Lib, etc.—although each of these movements actually advocate coercive egalitarianism, collectivism and statism."**

No libertarian running for office has supported *every* liberation movement, and none has *blindly* supported *any* liberation movement.

The inaccuracy here is threefold. First, there is no movement called Transvestite Lib. Second, Gay Lib and Women's Lib are (or were) rather broad and composed of disparate elements, not *all* of which advocate the stated policies. (Compare 'Christians advocate progressive taxation.' 'Objectivists advocate Zionism.' etc.) Third, whatever "blindly supported" may be taken to mean exactly, it certainly cannot be applied to people who have taken pains to separate themselves, emphatically and publicly, from the coercive egalitarianism, collectivism and statism in Gay Lib and Women's Lib.

Ralph Raico's pamphlet, *Gay Rights, A Libertarian Approach,* published for the last election by the Libertarian Party, does not refer to "Gay Lib," argues that libertarians are more likely than others to defend homosexuals against government persecution, points out that gays stand to gain by the general antistatist measures favored by libertarians,

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David Ramsay Steele has been a fellow at the Institute for Humane Studies and is presently completing a book called The Impossibility of Communism.

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and rejects antidiscrimination laws which would force employers to hire homosexuals. Again and again, libertarians who have addressed themselves publicly to the gay question have pointed out scrupulously that on the original Dade County referendum question, libertarians would have had to vote (if they voted at all) on the same side as Anita Bryant—in defense of private property.

Most recent activity linking libertarianism with the question of women's rights has emanated from the Association of Libertarian Feminists, which has produced a broad range of literature largely devoted to *excoriating* the coercive egalitarianism, collectivism and statism of the majority of contemporary feminists.

No one has been irresponsible enough to make the same sort of hysterical attack on libertarians who cultivate the 'right' as Efron has made on those libertarians who cultivate the 'left.'

I mention these points to show that Efron's claim is not merely *literally* false, but false also in spirit and implication. The suggestion is that libertarians have been so keen to get the support of trendy lefties that they have sold out on the distinctively anti-trendy-lefty portions of libertarian doctrine. This is not only unfounded, but the opposite of the truth. (There are, of course, conspicuous examples of libertarians who play down libertarian views on such embarrassing matters as drugs, prostitution, and pornography in order to get the ears of conservatives and other conventional supporters of "free enterprise." Actually, libertarians generally are sensible enough to realize that heresy-hunting would be sterile. No one has been irresponsible enough to make the same sort of hysterical attack on those libertarians who cultivate the "right"as Miss Efron has made on those who cultivate the "left," even though the record plainly shows that the latter have been far more principled and uncompromising than the former.)

Second untruth: **Libertarians "have absorbed the counter-culture's notion that nothing has higher priority for lovers of liberty than the right to take dope, to contemplate pornography and to enact the full repertoire of Kraft-Ebing." *(sic)***

None of us thinks there are *no* higher priorities, and very likely none of the counter-culture people think that either. My own highest priority happens to be to prevent the human species being fried in a thermonuclear holocaust; the most important means to that end open to libertarians in this part of the world is to press for a noninterventionist U.S. foreign policy. And, to fan opposition to protectionism and other interventions which lead to war. And to oppose nationalism in all its forms.

Third untruth: **Many "libertarians have joined the Left in propagating the myth that the United States is the sole source of international evil . . . ."**

Name a single libertarian who says it is the *sole* source!

Fourth untruth: **Libertarians say "that the USSR is an innocent, peace-loving nation . . ."**

No libertarian thinks that any nation is innocent. Any libertarian will acknowledge that the USSR is one of the worst regimes in human history, and not a few would agree with me that it is the worst. It is true that many libertarians believe that the USSR's foreign policy has been generally defensive and opportunistic, rather than consistently expansionist, and that the Cold War was launched by the West. No one has suggested that, if true, this was due to any "innocence" on the part of the Russian Empire. Rather it would have been due to (a) the overwhelming U.S. military superiority, and (b) the unfortunate fact that the U.S. ruling class has chosen to ally itself with foredoomed, reactionary, and anticapitalist forces around the world.

Libertarians reject the hero-villain mythology of the Cold War, not because they view the Soviet Empire through rose-colored glasses, but because they think the Soviet regime is so horrendous that it is no great virtue of the West that things here are substantially better than in Russia. It is also a mark of some sophistication to recognize that there is no necessary correlation between a comparatively vicious internal regime and a comparatively vicious foreign policy. Democratically-governed mixed economies are not by nature peace-loving. This sophisticated view has been borne out by such recent works as Hedrik Smith's *The Russians,* and the even-more illuminating *Russia, the People and the Power,* by Robert Kaiser. Both of these fine books simultaneously present a view of life in Russia as appalling *and* argue that ruling circles in the West have persistently overestimated the threat from Russia, an inefficient, insecure and hidebound despotism.

Fifth untruth: **"By now, there is scarcely a counter-culture crusade or a leftist ideological bastion that libertarians have not embraced."**

Wages for housework; compulsory racial integration; common ownership of the means of production; anti-discrimination ordinances; divestitute; affirmatice action and anti-Bakke; prohibiting nuclear power; socialized medicine; "urban renewal"; free tax-suppported abortion on demand.

I leave it to the reader to add another thousand or so examples. "Counter-culture crusade" is somewhat indefinite. In the main sense in which Efron employs the term "leftist," the *vast majority* of leftist ideological bastions (even making allowances for that clumsily obscure term) have never been embraced by a single libertarian.

Sixth untruth: **"The Left has screamed for liberty only for *its* allies."**

There is no monolithic "left", and it is certainly true that *some* "leftists" are selective in this way—but certainly no more so than some rightists. The "leftist" Nat Hentoff has consistently and effectively campaigned on behalf of freedom of speech, singling out those (such as Anita Bryant and the Nazis) furthest from his own views for de fense.

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Most "leftists" with roots in the anarchist (e.g., Chomsky) or pre-Bolshevik Marxist (e.g., Harrington) traditions favor general liberty of speech, assembly and the press for all parties.

Numerous "leftists" have given solid support to organizations like the American Civil Liberties Union and Amnesty International, which, for all their shortcomings, have "screamed" for particular liberties *for all,* including the enemies of the "left." Would that more libertarians had been shoulder to shoulder with them in such organizations as these!

Seventh untruth: **"It is only since Hayek and Friedman have received Nobel prizes that some libertarian publications have deigned to say a civil word about either man."**

Gasp!

Eighth untruth: **". . . the proponents of a constitutional republic . . . agreed to suspend their endless quarrel with the anarchists . . . ."**

There are further references to an "agreement," a "compromise," and a "taboo." The impression is given that various segments of the libertarian movement have entered into an understanding not to continue discussion and debate over the concept of the minimal state, or limited government.

The fact of the matter is that the debate has been continued precisely where it ought to be continued: in scholarly books and articles, such as Robert Nozick's *Anarchy, State and Utopia* and the *Journal of Libertarian Studies.* There have been nearly a score of contributions to the debate, from every conceivable angle, over the past few years. More importantly, the libertarian movement has sufficiently matured in recent years so that people with a wide diversity of viewpoints find it possible to work together for commonly held political goals. That is not a silencing of discussion or debate; if anything, debate is more sophisticated and diverse than ever before.

Ninth untruth: **"Karl Hess . . . now calls himself a Maoist."**

He does not. He never did.

Tenth untruth: **"[We are] facing the grotesque public fact of a libertarian-leftist alliance."**

Efron repeatedly uses the word "alliance," at one point making it even clearer by the phrase "political alliance." There is no alliance, much less a political alliance, between libertarians and "leftists" in the United States today. (I follow Efron's nomenclature. In a less confused terminology, libertarians are leftists *par excellence.)*

This particular allegation, virtually the kernel of her argument, is very strange. There is today less collaboration between libertarians and "the Left" than at any time for more than a decade. When libertarians entered and supported the then substantially "leftist" Peace and Freedom Party, *that* was a political alliance. There are two perfectly good reasons for the strategic change: (a) At that time, the U.S. government was enslaving the youth of the country in order to massacre innocent pheasants, with whom the American people had no quarrel, on the other side of the world. (b) At that time there was something called "the New Left," inchoate and muddled, but with many positive features. The New Left could not last. Libertarians picked up some of the pieces but most went to the Bolsheviks, who were bigger and better organized.

The supposed "alliance" which Edith Efron denounces is simply the fact that some libertarian publications carry articles by "leftists" on issues where the latter are in broad agreement with libertarianism. Whatever one may think of the wisdom of such tactics, *this is no alliance.*

Implicit falsifications

Boldly to advance a demonstrable factual inexactitude is unfortunate. To present two in the same work would be carelessness. To assert no less than ten howling falsities in four pages betokens creative inventiveness bordering on genius.

With very little interpretation of the text, the list could easily be extended. There are some statements we may reasonably pass over, such as the allegation that Sidney Lens "blames the United States for every evil in the world." Hyperbole, naturally.

The contention that the libertarian movement has "in some important measure" degenerated into a hippie movement might also be questioned, until we remember that it originally emanated from the same scrupulous and balanced source which pronounced Immanuel Kant the first hippie. It is therefore a sort of unintended compliment.

The libertarian movement has matured sufficiently in recent years so that people with a wide diversity of viewpoints can work together to achieve commonly held political goals.

The horrible truth is, though, that explicit falsehoods are only the tip of the iceberg. The most profound misrepresentations do not take the form of statemetns so straightforwardly untrue that demonstrating their untruth is like shooting fish in a barrel. They are, therefore, more insidious and potentially more effective.

One of the tried and tested implements of falsification is *the amalgam.* "Trotsky-fascism" was one such, utilized by the Stalinists. "Jewish Bolshevism" was another, utilized by the National Socialists. The great efficacy of the amalgam as a technique of deception (sometimes including self-deception) is that it insists upon the combination or alliance of individuals or ideas which are not, or logically need not, be connected at all.

A less extreme case is the label "right-wing" as conceived by many "liberals": To them it inextricably associates *conservative* ideas with *racism,* despite the fact that most con-

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servatives are not racists and most racists are not conservatives.

There are two crude, crass, and wildly misleading amalgams which Edith Efron has absorbed—which condition her own thinking—and which she tries to persuade her readers to adopt. One is the "Left." and the other is the "anarchist" wing of the libertarian movement. The former is perhaps more crucial.

An amalgam often functions to reassure the believer that all the forces of evil (all the things he doesn't like) are acting in concert. To embrace one is thus to fall into an "alliance" with them all. The only safe course is to spurn each and every one of them.

You would think that Efron would have heard by now that China is preparing for war against the Soviet Empire, and that Maoists are the most militantly, actively anti-Russian force in the world.

Efron has a concept of the "left" which lumps together a number of doctrines and practices. For Efron, to be contaminated with any one of them is to be dangerously compromised, because it will tend to lead (it seems so obvious) to the others.

But Efron is amazingly ignorant of the actual "left", the one that exists in the real political world. She has never systematically studied the "left," and attributes to it properties which it doesn't possess.

Edith Efron's "Left"

The first thing to notice about Efron's employment of the term "Left" is that it is wildly inconsistent and self-contradictory. She herself doesn't know what she means by the term.

She tells us that "on both the Right and the Left there are indeed allies for any defender of a free society." It turns out that the allies on "the Left" are the "neo-liberals," the utterly commonplace right-wing statists headed by Irving Kristol. "These, today, are the genuine culture heroes of the Left."

But this passage is sandwiched between two references to "the Left" *tout court,* as irredeemably, entirely, and without qualification, evil. The left is determined to destroy economic freedom, therefore a libertarian can *never* rationally ally himself with the left. The left is motivated by hatred, and hates capitalism more than it hates the state.

It is this utterly depraved "Left" which Efron *normally* has in mind, it seems, when she uses the term. Apparently, she uses this word interchangeably with "New Left," and gives it the same, or nearly the same, coverage as "counter-culture", as well as colorful epithets like "the Termite Left" and "the anti-American Left."

This puzzling ambiguity goes back to *The News Twisters,* wherein Edith Efron wrote:

> In the best sense, an emerging intellectual rebellion was taking place against the corporate-welfare state . . . . Such rebellious intellectuals as Tom Hayden and Paul Goodman—to cite but two—had, and still have, profoundly serious, interesting and challenging things to say . . . . their analysis of American symptomatology is often penetrating and brilliant. (p. 159)

This is in a section on the New Left, and if anyone was "New Left," then Hayden and Goodman, of whom Edith Efron had such a favorable opinion, certainly were. After this glowing tribute, a change comes over her references to the "left." For a few pages, she qualifies and distinguishes: New Left intellectuals are "dominantly" (not all of them) students of Marxists, Maoist and Marcusian doctrines. The "major" (not all of them) New Left intellectuals are totalitarians. There is even, *mirabile dictu,* a "segment" of the New Left which is more "rational" than the others. (Not all of them are totally irrational.)

But before long, it seems, the intellectual effort of making these fine distinctions becomes too much, and they are abandoned. Edith Efron relapses into the same mode as prior to the above quotation: It is simply "the Left" which is totalitarian, violent, at war with society, exploiting the liberals, and so forth—*not* just segments or factions within "the Left."

And what is this wholly evil left? It has been constructed by Efron. The tool she uses is that old trusty of illogical argumentation, ambiguity between *all* and *some.* It is perfectly true that "leftists are motivated by hatred" just as it is irrefutable that "objectivists are heavily into S and M." Insert the word "some" and the statements are undeniable, though hardly consequential. Insert the word "all" and they are patently false, and quite ludicrous. Who can deny that leftists fawn on Mao Tse-tung, that Southerners hate blacks, or that neoconservatives are fools? Or that leftists want to let murderers out of jail, just as conservatives want to castrate sex offenders and Christians demand big increases in foreign aid? *Some,* not *all.*

Although Edith Efron repeatedly makes statements about "leftists" with the manifest implication that they apply to *all* leftists, if one makes a list of the characteristics which she thus ascribes to leftists in general (I've done it—it's a long list), he finds a bizarre mosaic indeed.

You would think Edith Efron would have heard by now that China is preparing for war against the Soviet Empire, that Maoists are without exception the most militantly and actively anti-Russian force in the world, forever warning of the dangers of Soviet expansionism, and calling upon the West to arm yet further (ye gods!) against Russia. There is no one who *both* fawns on Mao Tse-tung *and* believes that the USSR is an innocent, peace-loving nation. It cannot be done.

You would think that Efron would know that most of the *Bolshevik* so-called left is at one with her in hating the counter-culture, deviant drug-taking, sexual heresy and

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pornography, and that preponderantly (there are exceptions; it's complicated) those who cover up the Cambodian atrocities are *not* those who give a damn about the rights of Larry Flynt.

You would think she would know that the heirs of Women's Lib are as overwhelmingly in favor of censorship of pornography (including *Playboy, Penthouse* and other pillars of the national culture) as they are in favor of censoring commercial "sexist" advertising, and that indeed they (quite correctly) see no difference in principle between the two forms of censorship.

The socialist "left" is heterogeneous and disunited—even more so than the "right." Efron picks out all the worst aspects that happen to have caught her eye, lumps them together to make an amalgam of beliefs which—in its totality—no one has ever held, and calls the resulting straw man "the Left."

Among the motivations which cause people to become "leftists", there are many with which libertarians can sympathize. Some people become "leftists" because they believe they are being ripped off by the ruling class, some because they suspect the CIA and FBI threaten their security, some because they feel the real communities are being reduced to atoms by remote, uncontrollable bureaucracies; some because they fear the threat to their survival posed by the "military-industrial complex," some because they despise the superstitious nonsense of nationalism; some because they have deviant lifestyles and object to being terrorized by tax-supported thuggery; and some because they harbor humane feelings towards the poor, the unemployed, the dispossessed, and the helpless, and feel that big changes are required in modern society to give these people a better deal.

Edith Efron has other notions about the motivations of the "left." They are propelled—every man Jack and woman Jill of them, it would appear—by hatred. So are the libertarian anarchists. This explains the "alliance" between them. "Hatred is the real bond between them and the Left. Hatred is the ultimate determinant of their positions." Simple, isn't it? In contrast to that malicious crew, the "constitutional republicans" are motivated by *reverence*.

Remember what *The News Twisters* had to say about such telepathic pretensions?

> The newsman pretends to be reporting authoritatively on the views of various human beings . . . . he "reports" on the inner feelings, the buried emotions, the concealed thoughts and goals and the unconscious psychological motivations of: single persons, small groups, crowds . . . , entire socio-economic classes . . . . And invariably the reporter draws vast political generalizations from this "reporting." (pp. 105-6)

There, Edith Efron scornfully dismissed this practice as "mind reading" and "telepathy." But it is even more ludicrous that someone who has given ample proof of her childish ignorance of left-wing doctrines should be in possession of intimate knowledge of the leftists' hidden souls.

Actually, libertarians and many "leftists" make no bones about the fact that they *hate the state* precisely because of their *reverence for humanity*.

Efron points out that the "leftists" hate "capitalism" *more* than they do the state, but she overlooks the fact that what "capitalism" means to a "leftist" is very similar to what "socialism" means to a "rightist": the rule of a privileged class, concentration of power in the hands of a few, the extinction of personal freedom, imperialist aggression and war-mongering.

The libertarian movement

Edith Efron's picture of the libertarian movement is as misleading as her picture of the "left." The impression is given that there is a monolithic libertarian faction characterized by its youth, its opposition to limited government, its alliance with the "left," its support for Women's Lib and Gay Lib, its softness towards Russia and China, its counter-culture line on sex and drugs, and its disdain for Friedman, Mises and Hayek.

The reality of the libertarian movement is much more complex. There is Murray Rothbard, critic of Women's Lib, student and passionate admirer of Mises, denigrator of the counter-culture, and celebrant of traditional American libertarian values. There is theorist David Friedman, son of Milton Friedman and Chicagoite economist himself. There is the limited government, Jeffersonian liberal Thomas Szasz, a fierce defender of the rights of drug-takers, pornographers and sexual deviants, and personally disdainful of the counter-culture. There is Nathaniel Branden, well-known in the world of psychology, a defender of at least some of the tenets of the women's and gay "movements," advocate of a minimal state, and sympathetic to the idea of interacting and working with elements in the American liberal and left-wing camps. There are value-free economists and historians, dedicated moralists, and political theorists. There are those who, like Robert Nozick, see a libertarian society as essentially a framework for various, individually chosen utopias. Each of these denounces the Russian and Chinese despotisms in no uncertain terms. Similar combinations of ideas are common among the rank-and-file of the rest of the libertarian movement, too. And in no case is a particular position of a specific person obviously predictable from some more general framework; the great variety of views in the libertarian movement cannot be so easily pigeonholed. Edith Efron's crude stereotype in fact denies the actual rich diversity of libertarian views. Edith Efron has

Efron overlooks the fact that what 'capitalism' means to a leftist is very similar to what 'socialism' means to a rightist: the rule of a privileged class and extinction of personal freedom.

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merely selected the things which most annoy her, and lumped them together, to make factions which do not exist.

Libertarian Review and *Inquiry* are Miss Efron's two pieces of evidence for the "alliance" between libertarians and "the Left." I cannot make head or tail of her contention that *LR* is "dependent on the counter-culture for its social themes." I can only conclude (though the conclusion is astounding) that *any* discussion of topics like pornography and drugs, from a tolerant viewpoint, is taken by Efron to be associated with the counter-culture.

Here we need clarification of just how Edith Efron sees things. The fact is that many thousands of people are set upon by government thugs, beaten up, imprisoned, their homes and business premises entered and wrecked, because of (a) their consumption of currently disapproved drugs, (b) their sexual preferences, and (c) their connection with what the government currently deems pornographic. Evidently, Edith Efron despises these people. On the other hand, she is a libertarian, and therefore does not dispute that they are victims, and that their persecution is unjust. But given that millions of Americans share the tastes of one or more of these three categories, and millions more take a view of their activities more tolerant than that of Efron, how does she propose that we handle these issues? By ignoring them altogether? By a curt reference every six years or so? By a united campaign on behalf of the lifestyle favored by the tiny minority of libertarians who agree with Efron's Puritanism?

Continuing the attack on *Libertarian Review,* Efron cites Walter Grinder's recommendations of the revisionist works of Sidney Lens, and lists Lens' anticapitalist sins. However, it was not for those sins that Grinder "pushed" Lens, but for his analysis of U.S. foreign policy, an analysis which Edith Efron does not attempt to refute, or even state.

It is true that *LR* has carried articles on foreign policy by nonlibertarians. The majority of libertarians favor an enormous reduction in the military apparatus of the United States. Efron may deplore that fact, and she is free to combat this preponderant view from within the movement, as others do. She may also think it is mistaken to get nonlibertarians to write articles for libertarian publications on issues where they agree with libertarians, a curiously narrow standpoint. At any rate, that practice is not an "alliance" and it is not "support" for the nonlibertarian views of those writers.

Edith Efron's prize exhibit, of course, is *Inquiry,* but since she penned her furious attack before *Inquiry* was born, perhaps she now feels that the infant is not as monstrous as her prenatal x-rays suggested (although since she proposes a total boycott of *Inquiry,* perhaps she hasn't taken a peek). There can be scarcely any argument that the bulk of material in *Inquiry* is consonant with libertarian principles. *Inquiry* does not pretend to be a libertarian magazine, but attempts to emphasize the considerable common ground which libertarians share with *some* leftists and *some* liberals, and to introduce them to other libertarian ideas in a way which gets around their prejudices. It is therefore judicious in its use of political labels and catch-phrases. Efron believes this is a deceitful "con game." We can all make up our own minds on that. For example, is it true, as Efron claims, that it is culpably misleading to describe *Inquiry*'s philosophy as "Jeffersonian liberal"?

Ominous signs

None of the above remarks should be taken to imply that the policies of *LR* or *Inquiry,* or the general strategy of appealing to the "left," are necessarily flawless. Propaganda is an entrepreneurial activity. No one can be sure in advance what line of activity will pay off. It is trial and error. There should be, of course, and there is, continuous discussion of alternative approaches.

But Edith Efron's ill-considered remarks do not help such discussion along. She has gone out of her way to employ the entire arsenal of distortion and falsification which she uncovered in the network news reports (mind-reading, omission, evasion, suppression, euphemism, attacking opponents as immoral, double-standard attack, guilt by association, false prototype, etc., etc., etc.). In this way she obfuscates the real issues, provokes rancor and is unnecessarily divisive.

Apart from Efron's cavalier way with facts and logic, some of her utterances are disturbing in themselves. What are we to make of Efron's "value of nation" and "necessity of a national culture"? Surely that is something totally new, and unheard of, in libertarian circles. Even classical liberals were always averse to nationalism. Some of them, like Lord Acton, specifically advocated the subsumption of several "national" entities under one state, counting on the countervailing interests to help preserve liberty, and for that reason dreading the homogeneity of culture as a threat to liberty.

This mystical talk of "national culture" is ominous. What does it mean in practice? Could it be used, for instance, to support government immigration controls, to save the English-speaking, Protestant, Northern European culture of the United States from the Spanish-speaking, Catholic, Amerindian culture of the Mexican immigrants? One hopes not, but it is best to take nothing for granted.

Other worries arise from Edith Efron's defense of the CIA and FBI as "major security institutions" and her apparent view that the names of CIA agents should not have been published by *Counterspy;* her dismissive reference to "our allegedly [sic!] continuously imperilled First Amendment"; her evident opinion that the United States should be prepared to go to war in the Middle East to protect the state of Israel from "the Arabs"; and her apparent belittling of the rights of pornographers, drug-takers, and sexual heretics.

The libertarian movement is an alliance between classical liberals and those who do not see government as necessary. Efron's article presents itself as criticism of the latter, in behalf of the former; but on close examination, it supplies grounds for thinking that it is really an attack on *both* wings from a third position. Her generally slapdash approach makes it impossible to be sure of this. To help clarify what she feels are the points at issue, Efron ought to spell out her positions on nationalism, the rights of drug-users and pornographers, the proper limits of state action, and America's morally valid obligations to the state of Israel.

We hope that would dispel our worst suspicions.

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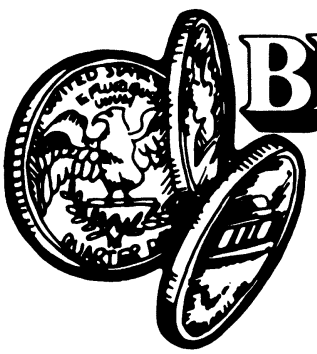

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Books and the Arts

The Mises we never knew

by Murray N. Rothbard

Notes and Recollections, by Ludwig von Mises, translated by Hans Sennholtz. Libertarian Press (South Holland, Ill.), 181 pp., $9.95.

When Ludwig von Mises was in his hale and hearty 70's, those of us who were privileged to attend his graduate seminar at New York University used to gather with him after class for a snack at a local restaurant. One evening, after Mises—as so often happened—regaled us with marvelous anecdotes of life in old Vienna, one student urged him to write an autobiography to preserve his impressions in book form. It was the only time I ever saw this gentle man bristle, if ever so slightly. "Please, I am not yet old enough to write an autobiography." So much for *that* topic. No one had the temerity to point out to Mises that, in our current culture, many people, with absolutely nothing to say, publish their "autobiographies" in their early 20's.

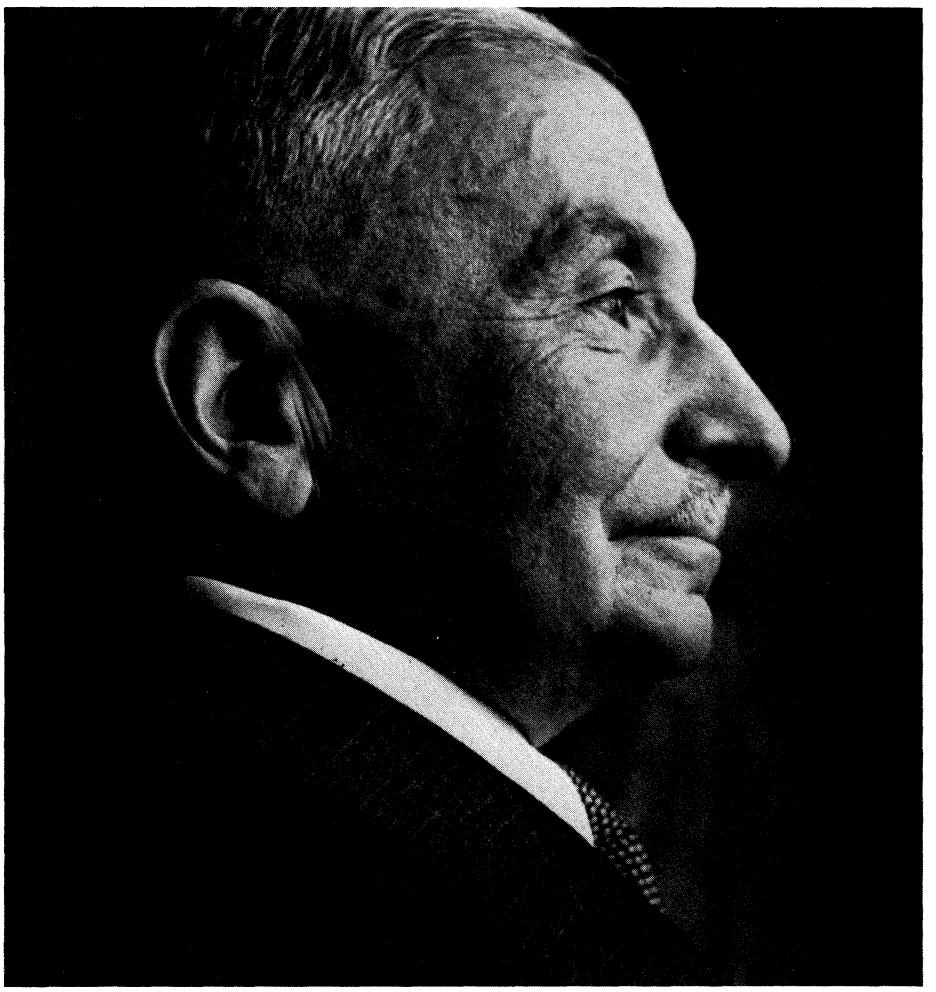
Imagine my surprise and delight when I discovered that Mises, unbeknownst to anyone, had written an autobiography in 1940, as soon as he arrived in the United States, and had entrusted it to the care of his devoted wife, Margit. Thirty years later, when Margit suggested that he write an autobiography, he replied: "You have my two handwritten folders. That is all people need to know about me." After Mises died in October 1973, at the age of 92, Margit remembered the folders. As the result of her diligence, the book has now been translated by his student Hans Sennholz, and published with loving care by another devoted Misesian, Frederick Nymyer, of the Libertarian Press.

This is the sort of autobiography we would expect from a private person of great courtesy and Old World reserve: It is an *intellectual* autobiography, explaining his ideological struggles and how he arrived at his ideas. There is no Instant Intimacy here, nor is there any fodder for emotional *voyeurs.*

And yet this is a bitter book, and understandably so. These memoirs were written at the wreckage of his once-great European career. It was not only that Mises found himself driven out of Europe by the Nazis and World War II, cast on the shores of the United States and forced to begin a new career at the age of 59. For Mises was experiencing the bitter consequences of the statism and collectivism that he had fought for two decades in Austria and the rest of Europe. He had fought collectivism gallantly and virtually alone, and now he was to see innumerable socialist and communist refugees, driven out by another variant of their own statist doctrine, welcomed and accorded the highest academic honors in the United States, while he himself was to be neglected and scorned by American academia.

In particularly moving passages, Mises suggests that the drying up of the productivity of Carl Menger, the founder of Austrian economics; the early death of Menger's great disciple (and Mises' teacher) Eugen von Bohm-Bawerk; as well as the death of the eminent sociologist Max Weber and even the suicide of Archduke Rudolf at Mayerling, were all basically due to individual despair at ever-encroaching statism and the end of the classical liberal world they knew and loved.

But is is clear that Mises was not the person to despair and give up. Despite adversity far beyond what his mentors had experienced, the doughty Mises decided to fight. As Mises writes:



Ludwig von Mises

It is a matter of temperament how we shape lives in the knowledge of an inescapable catastrophe. In high school I had chosen a verse by Virgil as my motto: *Tu ne cede malis sed contra audentior*

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ito ("Do not yield to the bad, but always oppose it with courage.") In the darkest hours of the war, I recalled this dictum . . . . I would not lose courage even now. I would do everything an economist could do. I would not tire in professing what I knew to be right. (p. 70).

Even for devoted Misesians there are many fascinating revelations about Mises' life and thought. There are devastating vignettes of German economists and sociologists, such as Werner Sombart. Friedrich von Wieser, Bohm-Bawerk's brother-in-law (who is usually considered a co-leader of the Austrian School of Economics), is treated more kindly, but Mises ultimately (and, I believe, correctly) dismisses Wieser as more a Walrasian than an Austrian School theorist. It is also fascinating to see that Mises was treated almost as shabbily by the Austrian academic world as by the American. Mises' famous "private seminar," which taught so many famous students and followers, turns out to be strictly his own, unconnected with the University of Vienna, at which he taught other courses. And never did Mises receive a salary from the university for his teaching there (in the tradition of the "private teacher" in Europe).

Most surprising to me was the great extent to which Mises had plunged into the world of applied economics and of politics. I knew that Mises' salary was always paid by the Austrian Chamber of Commerce, but I had no idea that how much empirical work he had done, ranging from studies of housing problems, to customs relations with Hungary, to problems of public debt. Particularly fascinating was Mises' role in politics, and the influence which he was able to exert against overwhelming odds. Thus, almost single-handedly, Mises managed to slow down and halt the post-World War I inflation in Austria short of the runaway destruction of the currency that Germany experienced at the same time. By combatting cheap credit policies, Mises and a few colleagues managed to delay, but not halt, the inflationary credit expansion that led to the collapse of the Austrian and the remainder of the European banking system in 1931.

But particularly fascinating is the story of Mises' crucial influence on his friend and fellow-student in Bohm-Bawerk's seminar, the leading Austrian Marxist and head of the Social-Democratic party, Otto Bauer. First, Bohm-Bawerk managed to convince Bauer, at least privately, of the untenability of Marx's crucial concept of the labor theory of value. But more fatefully, in the winter of 1918-19, in the chaotic aftermath of World War I when Bauer could easily have imposed Bolshevism upon Vienna, Mises personally convinced Bauer, after numerous conversations, that the result would be starvation and collapse because of the Allied control of the food supply. Ironically, Bauer never forgave Mises for inducing him to betray his Bolshevik principles, and they never spoke to each other again.

Personal vignettes and recollections are by no means the sole content of *Notes and Recollections*. There are also brief discussions of Mises' leading economic and methodological ideas, how he arrived at them, and how they are linked together. Whatever is unclear is explained fully and in detail by the editor. Mises' American student Hans F. Sennholz has not only provided a clear and faithful translation, but he has also added a postscript on Mises' post-1940 career in the United States.

All in all, *Notes and Recollections* supplies a fascinating companion volume to his widow Margit's lovely valentine to their life together, *My Years with Ludwig von Mises*. Friends and students of Mises now know far more than they ever did about Mises' long and remarkably productive life, and younger generations of economists and libertarians, who never had the privilege of meeting Mises, now have these two volumes to read and ponder as the next best substitute.

There is no more fitting way to end this review than to pay tribute to the remarkable integrity and fighting spirit of Ludwig von Mises. In the 1910s and 1920s, as today, there were small-minded men who criticized Mises' consistency and candor. If only he had been willing to bend principle a bit! Mises charmingly refers to such criticisms:

> Occasionally I was reproached because I made my point too bluntly and intransigently, and I was told that I could have achieved more if I had shown more willingness to compromise . . . . I felt the criticism was unjustified; I could be effective only if I presented the situation truthfully as I saw it. As I look back today at my activity with the Chamber I regret only my willingness to compromise, not my intransigence. (p. 74).

Only such a spirit could succeed in building a movement, Austrian and libertarian, twice in his distinguished career. More important, it is because of his great spirit, his unflinching integrity, that Mises' name will be honored so long as men shall reverence freedom.

Murray N. Rothbard is Senior Editor at Libertarian Review, *the author of hundreds of articles and a dozen books, including* Conceived in Liberty *(five volumes),* Man, Economy and State, Power and Market, *and* For a New Liberty. *He is editor of* Libertarian Forum.

The flight of the Lone Eagle

by Justus Doenecke

Autobiography of Values, by Charles Lindbergh. Harcourt Brace Jovanovich, 423 pp., $12.95.

Even today, the life of the Lone Eagle, Charles Lindberg—"the last American hero" and foremost pioneer of flight—is shrouded in controversy. Conflict over his ideas clung to him throughout his life, and his story is, in a very real sense, the story of an initiation, indeed a baptism in which his values became so completely altered that what one really witnesses is a radical transformation.

Now, with the arrival of Lindbergh's own autobiography, we can clarify some—though by no means all—of his views and values. Thanks to publisher William Jovanovich and Yale archivist Judith Schiff, 2000 pages of loose manuscript have been organized into the outline of an autobiography. Thus the book is not a unified account but rather a series of sketches and reflections, all mixed into a narrative that often takes sharp chronological jumps.

Like many Americans, Lindbergh at first thought that mechanical genius would convert the rough wilderness into a bucolic utopia, that (using the terms of Leo Marx) the "machine" would create the "garden." The grandchild of pioneers who fought Sioux chief Little Crow on the Minnesota plains, Lindbergh grew up with his father's stories of Indian wars, log cabins, and rudimentary farming.

Lindbergh made his spectacular trip to Paris in 1927 in part to publicize the promise of aviation. ("A lens focused on the future," he called the *Spirit of St. Louis.*) For much of his life, he continued to promote the cause of flight, even turning down a half-million-dollar contract with Hearst films so as not to cheapen his experience. Only on the eve of World War II did he find the "amorality of science" symbolized in aviation's power.

His experiences as a test pilot in the Pacific, flying on combat missions, simply reinforced his awareness that the airplane had helped to brutalize modern warfare, making it clinically and coldly impersonal. ("My thumb moved ever so slightly against a small red button on the stick and death went hurtling earthward.") He later recalls sitting in a briefing room of the Strategic Air Command, for whom he did consulting work, watching prospective target cities pinpointed on a map. He found himself, he

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said, "a demonic god," and as such he sensed the "easefulness and irresponsibility that can precede an act of atomic destruction."

To understand this work, one must focus on the continual tension between instinct and intellect, primitive and civilized, simplicity and complexity—focus on what he calls "the wisdom of wildness" and "the knowledge of our mind." Indeed, "real freedom," he writes, "lies in wildness, not in civilization." As he hunts with Masai tribesmen, he developes a new appreciation of the "primitive and sensate qualities" of "instinct, intuition, and genetic memory." Through these qualities, he continues, "a wisdom is imparted to the intellect essential to the very existence of human life." "Is civilization progress?" he is forced to ask, and he asks this question continually. The scientist finally becomes a mystic, seeing technology as "trivial in the face of the unknowable."

Yet Lindbergh finds himself unable to renounce his own culture, for he could not sacrifice art and literature to remain living in what he calls "God's greatest gift to man."

Several of Lindbergh's themes, of course, are predictable. First, there was his strong Darwinism. To Lindbergh, the struggle for existence and natural selection were not mere textbook phrases; rather, they lay at the basis of all existence. "Life is lived," he wrote, "by devouring other life at one moment and, at the next, escaping from being devoured."

Charles Lindbergh

Second, he maintains his lifelong interest in genetics, although—as with his Darwinism—it is doubtful how fully he understood this science. He depicts himself, for example, as "the culmination of worldy life to date after billions of years of evolution, the result of design, of chance, of mating, and of selection through epochs." Indeed he sees within himself "the concentration of millions of ancestors," and writes that "within each generation I cycle from adult to sperm to ovum to child." Watching his own sperm cells under a microscope, he notes "thousands of living beings, each one of them myself, my life stream, capable of spreading my existence throughout the human race, of reincarnating me in all eternity."

In other ways too, the autobiography is quite revealing. Lindbergh presents his views on death, and discusses his early religious skepticism, latter-day pantheism, facination with dreams and visions, friendship with physiologist Alexis Carrel, and respect for rocket expert Robert H. Goddard. One learns that Lindbergh designed heart pumps, saw the lowering of body temperature as a way of prolonging life, and experimented with divining rods.

His indictment of modern war is an able one, and one account, dealing with his refusal to shoot a lone Japanese walking on a beach in New Ireland, is particularly noble. "We were neither American nor Japanese, but two atoms of the human species, touching briefly, strangely, or maybe just randomly through our field of forces." He confirms rumors that, in certain Pacific engagements, Americans took no prisoners. And it is difficult to see how a reviewer could write that "Lindbergh thought Nazi Germany was swell" (Walter Clemons, *Newsweek*, February 13, 1978, p. 92). For while Lindbergh had written that he "was stirred by the spirit of Germany," he also wrote, "But for me the ideology, the regimentation, the intolerance and the fanaticism of Hitler's Third Reich were intolerable. . . ." Clemons is only one of countless critics who would rather smear than understand this complicated man.

As far as his foreign policy views went, after World War II Lindbergh was an ardent Cold Warrior, one ever seeking military superiority over the Russians. In a comment that could well have been made by General Curtis LeMay, he says that in "overwhelming striking power" lies the best way to prevent "atomic aggression." He adds that "American commercial and military bases increased prosperity as well as security in many countries during an extremely critical period" (although he does find that "ideals easily lose their grounding in such a struggle").

To the historian of isolationism, Lindbergh remains most puzzling. Our ignorance, in some ways, is a bit surprising, for we have more readily available material on the Lone Eagle than on any other notable anti-interventionist. Lindbergh's *Wartime Journals* (1970) extend for more than a thousand pages, and Wayne Cole's study of Lindbergh's battle against FDR's foreign policy (1974) modifies the long-held stereotypes of his supposed racism, fascism, and anti-Semitism. (One should forget Leonard Mosley's *Lindbergh: A Biography* [1976], a book whose tastelessness and distortion should make it an embarrassment to the author).

His indictment of modern war is an able one, and one account, dealing with his refusal to shoot a lone Japanese, is particularly noble.

Because he was the one isolationist whose charisma could match that of Roosevelt, attacks on him were particularly abusive. Secretary of the Interior Harold Ickes called him "the No. 1 Nazi fellow traveler," while the president himself accused him of being a "Copperhead." One could therefore hope that Lindbergh would have, at some point, used this autobiographical framework to explain his behavior and views.

Autobiography of Values, however, does not do this. Lindbergh tells us that the State Department, as well as Army Intelligence, approved of his trips to Nazi Germany, and he stresses his belief that Hitler served as a buffer against Soviet penetration. "Hitler's destruction," he writes, "would lay Europe open to the rape, loot, and barbarism of Soviet Russia's forces, causing possibly the fatal wounding of Western civilization." He further claims that the German peoples were "European," not "Asiatic"; that Germany would eventually "moderate Nazi excesses"; and that in 1939, the year Lindbergh began his isolationist crusade, the Soviets had committed far more liquidations and atrocities than had the Nazis.

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Still and all, despite such revelations of his isolationist views, so much remains cloudy. A few of the pertinent issues were raised at the time. Socialist leader and anti-interventionist Norman Thomas, noting (in 1940) the vehemence of the attacks on Lindbergh, suggested that the prominent aviator articulate his personal opposition to fascism, make it clear that Britain and her dominions must survive as absolutely independent nations, and clarify his position on American "cooperation" with any victor, be it Britain or Germany. (In an address given on August 4, 1940, Lindbergh had claimed that "cooperation" with Germany "could maintain civilization and peace throughout the world as far into the future as we can see.")

This reviewer has additional questions. Why did Lindbergh never clarify his Des Moines speech of September 19, 1941, in which he publicly mentioned "Jewish groups" as among those "agitating for war"? In all fairness, he did express sympathy for persecuted Jews. The speech as a whole, however, was so ambivalent that one prominent anti-interventionist, Sterling Morton of Chicago, asked a speech professor at Northwestern University to analyse its contents. Lindbergh himself had premonitions that the speech would brand him as anti-Semitic, and the repercussions it brought weakened the isolationists support when they sought to preserve the Neutrality Acts in November 1941. One wishes Lindbergh had discussed his relations with such noted anti-interventionists as Verne Marshall, General Robert E. Wood, Herbert Hoover, and Lawrence Dennis. If, as Leonard Mosely claims, the FBI and Secret Service monitored isolationist activities, one wonders if Lindbergh faced any harassment. Curiously enough, there is no reference to the notorious America First Committee, much less to the No Foreign War Committee that attempted to get Lindbergh's endorsement.

On all these topics, the autobiography is silent.

The Lone Eagle is likely to remain puzzling. His mysticism, genetic obsessions, and elitism all can jolt a modern reader. There is enough of substance in the autobiography, however, to prove that Lindbergh deserves more than either patronizing or cavalier dismissal. His book should be read and reread, particularly by those concerned with the technological revolution that Lindbergh helped foster.

Justus Doenecke is the author of The Literature of Isolationism: A Guide to Non-Interventionist Scholarship, 1930-1972, *and the forthcoming* Not to the Swift: The Old Isolationists in the Cold War Era.

Democracy as Puritanism

by Tom G. Palmer

Notes on Democracy, by H.L. Mencken. Octagon Books, 212 pp., $11.50.

Mencken was never a man to mince words, and his classic *Notes on Democracy* provides them in twelve-pound bricks. Nowhere was Mencken more free-swinging than in this frontal assault on the most sacred of all sacred cows, the fraud of democracy.

Two things should be noted about Mencken's political philosophy: First, he did not advocate adoption of any other system of government to replace the obvious inanities of democracy. He held all governments and all statist ideologies in contempt—although not, as this book demonstrates, in equal contempt. "Is it (democracy) inordinately wasteful, extravagant, dishonest?" Mencken asked. "Then so is every other form of government; all alike are enemies to laborious and virtuous men." Second, in the face of almost unanimous faith in the virtues of the "average guy" and his great ability to rule not only himself, but his betters as well, Mencken found it necessary to resort to strong statements and harsh language in order to debunk this ridiculous canard. At times his incendiary prose almost sears the eyeballs of the reader. One should not, however, take a great deal of his aristocratic blustering in all seriousness, although it is one of the great charms of his book; no one was more artful at ladling it out than he was. Mencken believed in both the potential nobility of free men and the necessity of freedom for noble men, and stated on many an occasion that the only thing he really believed in unflinchingly and consistently throughout his life was liberty, for the masses and for the "natural aristocracy."

Let us, then, take this book as the brilliant polemical spleen-venting of an enraged intellectual, not one cut from the common mold which seeks to regulate and manipulate the masses, but one who sees the goodness which exceptional men can accomplish being dragged down by a fraudulent, egalitarian philosophy. This philosophy is one, moreover, which fails to elevate hoi polloi and only manages to bring the superior specimens of humankind down to their level. Mencken was not, as the contents of this book reveal, a system builder; but then few men are. His virtue lay in his style and in his brilliant criticism of what he saw around him, and not in any systematic program or *Weltanschauung*.

Liberty and democray were incompatible for Mencken because of the simple fact that while many men may exercise their freedom, few understand it. "When the city mob fights it is not for liberty, but for ham and cabbage. When it wins, its first act is to destroy every form of freedom that is not directed wholly to that end. And its second is to butcher all professional libertarians." Further, Mencken expounds, "The fact is that liberty, in any true sense, is a concept that lies quite beyond the reach of the inferior man's mind. He can image and even esteem, in his way, certain false forms of liberty—for example, the right to choose between two political mountebanks, and to yell for the more obviously dishonest—but the reality is incomprehensible to him. And no wonder, for genuine liberty demands of its votaries a quality he lacks completely, and that is courage. The man who loves it must be willing to fight for it; blood, said Jefferson, is its natural manure."

Perhaps echoing the sixteenth century French libertarian Etienne de la Boetie, Mencken goes on to state that this "inferior man" can "no more comprehend it [liberty] than he can comprehend honor. What he mistakes for it, nine times out of ten, is simply the banal right to empty hallelujahs upon his oppressors. He is an ox whose last proud, defiant gesture is to lick the butcher behind the ear." However, whereas de la Boetie thought that the masses were hoodwinked and fooled by a clever network of automatic and systematic oppression, Mencken thought their oppression by the state so obvious that only stupidity could explain their acquiescence. After all, he asks, "Have they no means of resistance? Obviously they have. The worst tyrant, even under democratic plutocracy, has but one throat to slit. The moment the majority decided to overthrow him he would be overthrown. But the majority . . . cannot imagine taking the risk."

While the masses are robbed and exploited by their supposedly self-chosen ruler(s), the superior men of culture, intellect, and virtue are prevented from exercising these attributes by that most basic of guiding forces in democracy, envy. "The aim of democracy is to break all . . . free spirits to the common harness. It tries to iron them out, to pump them dry of self-respect, to make docile John Does of them. The measure of its success is the extent to which such men are brought down, and made common. The measure of civilization is the extent to which they resist and survive." Herein Mencken finds "the identity of democracy and Puritanism."

"Puritan legislation, especially in the

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field of public law," we are informed, "is a thing of many grandiose pretensions and a few simple and ignoble realities. The Puritan, discussing it voluptuously, always tries to convince himself (and the rest of us) that it is grounded upon altruistic and evangelical motives—that its aim is to work the other fellow's benefit against the other fellow's will. Such is the theory behind Prohibition, comstockery, vice crusading and all its other familiar devices of oppression. The theory, of course, is false. The Puritan's actual motives are (a) to punish the other fellow for having a better time in the world, and (b) to bring the other fellow down to his unhappy level. . . . Primarily, he is against every human act that he is incapable of himself—safely."

The Puritan operates by making the victims of his meddling designs foot the bill for their own railroading.

This desire to make sure that everyone is as unhappy as the Puritan would be largely impotent were it not for the state. For, as the economists would say, the Puritan is able to socialize his costs through the agency of the state, by making the very victims of his meddling designs foot the bill for their own railroading, and by using this robbery to hire armed thugs to enforce his intentions. "It is this freedom from personal risk that is the secret of the Prohibitionists' continued frenzy. . . . If they had to meet their victims face to face, there would be a different story to tell. But, like their brethren, the comstocks and the professional patriots, they seldom encounter this embarrassment. Instead, they turn the officers of the law to the uses of their mania. More, they reinforce the officers of the law with an army of bravos sworn to take their orders and do their bidding—the army of so-called Prohibition enforcement officers, mainly made up of professional criminals."

The most elevated of statesmen under democracy, while "ostensibily . . . an altruist devoted whole-heartedly to the service of his fellow-men, and so abjectly public-spirited that his private interest is nothing to him," is in fact "a sturdy rogue whose principal, and often sole aim in life is to butter his parsnips." To the democratic politician, "anything is moral that furthers the main concern of his soul, which is to keep a place at the public trough. That place is one of public honor, and public honor is the thing that caresses him and makes him happy. It is also one of power, and power is the commodity that he has for sale."

A policeman is "a charlatan who offers, in return for obedience, to protect him (mass man) (a) from his superiors, (b) from his equals, and (c) from himself. This last service, under democracy, is commonly the most esteemed of them all. In the United States, at least theoretically, it is the only thing that keeps ice-wagon drivers, YMCA secretaries, insurance collectors and other such human camels from smoking opium, ruining themselves in the night clubs, and going to Palm Beach with Follies girls. It is a democractic invention."

Mencken hammers at the reader again and again with the incontestable truths of the iron law of oligarchy. Rational decisions, in the anthropomorphic sense, cannot be arrived at by more than a handful of people. It is an illusion to believe that the masses choose this or that public policy *qua* masses; they are manipulated through the state by unscrupulous men for their own purposes, purposes which rarely, if ever, coincide with any supposed "public interest." Of public opinion Mencken tells us that "Walter Lippmann, searching for it, could not find it. A century before him Fichte said *'es gar nicht existirte.'* Public opinion, in its raw state, gushes out in the immemorial form of the mob's fears. It is piped to central factories, where it is flavoured and coloured, and put into cans." Now that's writing!

It is tempting to go on and on quoting in this fashion. The problem is that one ends up putting quote marks around the entire book and simply prefixing and appending introductory and concluding paragraphs. Unfortunately, the editors rejected that notion due to the constraints of space. All that I can suggest is that you buy and read this book, one in a long series of Mencken reprints issued by Octagon. While many of his statements are harsher than what one might say oneself, they are expressed in so exhilirating a manner as to delight the mind of any libertarian or free spirit.

Tom G. Palmer is former head of the Young Libertarian Alliance and is a frequent contributor to LR.

One man's world

by JoAnn Rothbard

Six Men, by Alistair Cooke. Alfred A. Knopf, 205 pp., $8.95.

Alistair Cooke first came to the United States in 1932 as a Commonwealth fellow—a sort of Rhodes scholar in reverse—and ever since he has been explaining Americans to the British public. And since he began to introduce BBC dramatic productions on public television, he has been explaining the habits and foibles of the British to American audiences.

Now, the urbane Mr. Cooke has written personal profiles of six men, three British (Charles Chaplin, Bertrand Russell, and Edward VIII) and three American (H.L. Mencken, Humphrey Bogart, and Adlai E. Stevenson). With the exception of the king who ruled such a short time, these men were all friends of Cooke. He explains that although he met them in different ways, they were all men who took to him and with whom he felt "sympat." (Cooke prefers the term sympat to empathy.) The book is gracefully written, but the essays are uneven in their interest and in the originality of their content.

Cooke calls Charles Chaplin the first international celebrity, thanks to his internationally known films. At first, Chaplin didn't realize how well known he was, but he began to be aware of it in 1916: He was caught in a washroom in his underwear, as the train on which he was traveling to New York pulled into the station of Amarillo, Texas, and seemingly the whole population of Amarillo came out to see him.

By the time Cooke met Chaplin (during the author's first summer in the United States), Chaplin was cut off from access by the press, except for Cooke himself. He describes Chaplin as incredibly handsome (though of very small stature, with tiny hands and feet), attractive and susceptible to women, and having an open, spontaneous personality. He writes that one of the greatest pleasures in being in Chaplin's presence was to watch the grace and deftness of all of his movements.

Cooke was invited back to Hollywood the following summer by Chaplin to research a movie on Napoleon on St. Helena that Chaplin planned, but never made. He gives us reminiscences of what Chaplin was like in private, and how films were made at his studio. However, there are some contradictions in the portrait: On one hand, Chaplin foresaw the crash of 1929 and sent his money out of the United States before it occurred; on the other, Chaplin was sur-

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prised when his brother pointed out to him that he had $900,000 in a checking account.

Edward VIII appears to Cooke as a bubble-headed playboy who didn't grow up to his responsibilities, and who never understood the importance and significance of his abdication. He began his exile thinking he was still a king, and his wife the wife of a king. His life ended 35 years later in bewilderment that the world and events such as a world war, the beginning of the nuclear age, and the spread of communism could have passed by, without a glance, a man who had been heir to the throne of the British Empire. He acted as if he were a king in exile and thought it mean of Britons abroad not to pay obeisance.

Cooke understands, as Edward never did, the constitutional reasons why, given the king's infatuation with Mrs. Simpson, abdication was inevitable, and gives a capsule account of the government crisis.

This scandal had a more personal importance for Cooke, as well. There was a complete silence in Britain on the radio and in the press about the whole affair until only ten days before the abdication. Until then most Britons had never head of Mrs. Simpson. At the same time, the crisis was big news in the United States. The London correspondent of NBC was vacationing in America; since it took five days to cross the Atlantic at the time, Cooke suddenly became NBC correspondent. He broadcast across the ocean six and seven times a day. "I found myself putting New York to bed at four in the morining, London time, doing the same for California three hours later, then waking New York at our noon, the Mountain States at two, California at three, and so on." When he got an infection, NBC had a telephone line and microphone installed in his living room.

The scandal broke in the British press around the first of December, and on December 10, 1936, the king abdicated. The money Cooke received for his broadcasting stint allowed him to return to the United States, which is where he met the other men portrayed in this book.

Cooke met Humphrey Bogart in 1952 while Bogart was campaigning for Stevenson and Cooke was covering the campaign for the *Manchester Guardian*. He portrays Bogart's life, career, and death, but it is mostly familiar material.

More interesting are the two politicians, Stevenson and Bertrand Russell, who share a certain head-in-the-clouds quality. (Of course, most people consider Russell a scientific rather than a political figure, but Cooke only reports on his political activities.) The essay on Stevenson begins with a description of a parade and rally held in Los Banos, California, on Mother's

On the train, Russell discussed Shaw (cruel), H.G. Wells (vain), Tennyson (an exhibitionist), Lenin (evil), and Queen Victoria (cosy).

Day, 1956, attended by Stevenson and Estes Kefauver, then both candidates for the Democratic party nomination for president. Cooke evokes the heat, dust, and provinciality of that San Joaquin Valley town (which still prevails today), and shows Stevenson as a candidate unable to fit in Los Banos. Most of the rest of the essay concerns Stevenson's relationship with the Kennedy administration. Here again, he didn't fit in. He really expected to be named secretary of state, and after he was sent to the United Nations instead, he completely believed the briefings he got from Washington, claiming the United States would not and did not intervene in Cuba. Cooke calls Stevenson "The Failed Saint"; but from the portrait he paints of this ambitious man, it is hard to discern a man who had been governor of a state which had Richard Daley as its major political force, and who ran for President twice—and therefore must have been more hard-headed and ruthless than Cooke's "Saint."

As anyone who has made the trip knows, the train ride from New York to Washington can be dreary; but obviously it can be fascinating with a traveling companion like Bertrand Russell. During this four-plus hour trip with Cooke, Russell read two paperback whodunits almost as fast as he could turn the pages, and discarded each on the floor. He then launched into a conversation that covered, in his precise way of speaking, such topics as Russell's first wife's relatives, his difficulties with American academic bureaucrats and clergymen, Geroge Bernard Shaw (cruel), H.G. Wells (vain), Tennyson (an exhibitionist), Browning (a bore), Lenin (evil), Gladstone (unsympathetic) and Queen Victoria (cosy). He then napped until the train reached Washington.

Cooke presents a public view of Russell in an absorbing account of a speech Russell gave in support of a Labour candidate in Glasgow in 1954, in which he went on and on with vague generalties about war, poverty, the hydrogen bomb, and the United Nations. What the elderly Scottish audience was interested in were local retail prices. The candidate lost the election.

Saving the best (it appears third in the book), Cooke's piece on H.L. Mencken contains a gem of a description of the political conventions of 1948. (Mencken admirers will also be interested in the pair's early acquaintance, based on their common interest in the English language, and especially in the differences in British and American English usage.) Mencken caught a cold thanks to the air conditioning of his hotel, and missed most of the Republican convention. But he was back and in rare form for the Democratic convention, and especially for the Progressive Party Convention, which Mencken declared that while it "produced a 'surprisingly good crop, they have nothing so bizarre' as the eccentrics he swore he had seen at the Bull Moose Convention of 1912." Cooke is at his best in describing the rank-and-filers for Wallace, and Mencken was at his aging best in poking fun at them—groaning at their syntax, bulging his eyes at pretty females, and hailing the men as "Comrade." Mencken almost had the signal honor of being censured by the Progressives, when a resolution was introduced calling him a red-baiter and racist (this while he was describing a Negro delegate as "having the complexion of a good ten-cent cigar"). The fun was cut short, however, when the chairman threw out the resolution as a dangerous precedent.

When the convention ended, the *Sun* papers gave a farewell party, which was picketed by a detachment from the Youth for Wallace. The picketers were invited to join the party, and Mencken had a bit of fun: He introduced Cooke as the reporter for the London *Daily Worker*, urged the Progressives to sing some of their party songs, then started them off on the national anthem on a note high enough to guarantee they'd break down in the middle—and finally tried to get them to sing "God Save the King" in Cooke's honor, even though Wallace had only that night described Britain as an "imperialist beast." This may have been the last bit of horseplay Mencken ever indulged in, for he had an incapacitating stroke three months later.

Even though this book is well written, libertarian readers will find the constant liberal tone irritating. There is hardly an essay in which Joseph McCarthy or Alger Hiss are not dragged in, and he even tries to apologize for Mencken's attitude on World War II. But leaving these objections aside, there are some interesting nuggets in these essays on people who have shaped our politics and culture during the last 45 years.

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James Joyce, anarchist

by Jeff Riggenbach

The Consciousness of Joyce, by Richard Ellman. Oxford University Press, 150 pp., $10.95.

Herbert Read once lamented that when he met with fellow anarchists during the 1920s and 1930s, and "wanted to discuss, not only Sorel and Lenin, but also Picasso and Joyce, . . . no one saw the connection. Each isolated on his separate prong denied the relevance of the force animating the other prongs. To me it seemed elementary . . . that the development of art since Cezanne should interest the completely revolutionary mind as much as the development of socialist theory since Proudhon. To me it seemed just as important to destroy the established bourgeois ideals in literature, painting and architecture as it was to destroy the established bourgeois ideals in economics."

To James Joyce as well the connection seemed equally elementary and equally important, at least in his early years. For although Richard Ellmann tells us that Joyce "maintained a lifelong interest in anarchism," the fact that he supported Arthur Griffith, who became the president of Ireland shortly before Joyce's 48th birthday, speaks for itself. Although he was at one time an admirer of the American individualist-anarchist Benjamin R. Tucker, read Proudhon and Bakunin under Tucker's influence (the latter in Tucker's translation), and acquired copies of *Qu'est-ce que la propriete?, God and the State,* and Tucker's own *Instead of a Book* for the personal library he built between 1900 and 1920, the fact remains that he turned this library over to his brother Stanislaus intact when he left Trieste for Paris—apparently without a backwards glance at any of his once-beloved volumes. And though he wrote of his fictional counterpart, Stephen Dedalus (in *Stephen Hero,* 1904) that "he felt the need to express himself such an urgent need, such a real need, that he was determined no conventions of a society, however plausibly mingling pity with its tyranny, should be allowed to stand in his way"; even though he wrote a bit of satiric doggerel in about 1915, including the lines: "Who is the tranquil gentleman who won't salute the State . . . But thinks that every son of man has quite enough to do/To paddle down the stream of life his personal canoe?"; still, it is a deep-delving analyst indeed who can locate any radical politics in either of Joyce's last works, *Ulysses* or *Finnegans Wake.* As the Great Artificer

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wrote of himself in the same passage in *Stephen Hero*, "it was not part of his life to attempt an extensive alteration of society."

Instead it was Joyce's life to attempt—and realize—an extensive alteration of English prose fiction. And his last two books, while they contain no quotable anarchist sentiments and are generally quite apolitical in their "subject-matter", are nonetheless profoundly anarchic in the spirit with which they overthrow the authority of 150 years of literary tradition, dispensing with plot, narrative continuity, consistent point of view, conventional syntax, grammar, punctuation—but not with *order*.

Joyce had learned from Proudhon that an anarchist may also be "a firm friend of order"; from Bakunin that organization may be "free and spontaneous", "by means of free associations"; and from Tucker that "where freedom prevails, competition and cooperation are identical." And he composed fiction based on the "free association" of ideas and images in the closely observed minds of his characters, proving in the process that such fiction may be fully as ordered and elaborate as the most intricate and ambitious of plot-novels. Organization is no more absent from *Ulysses* than it is from a society without government. In each case, it is only necessary for the observer to open his mind and expect the unusual in order to find the coherent structure beneath the chaotic surface.

Edmund Wilson's essay on Joyce in *Axel's Castle* (1931) is still probably the best introduction to this structure for the geneal reader, although Harry Levin's *James Joyce* and Anthony Burgess's *Here Comes Everybody* (available in this country under the title *Re: Joyce*) are also excellent. Ellmann's latest book on Joyce is neither an introduction, nor really a book for the general reader. It is a catalogue of Joyce's 1920 library of more than 600 books and pamphlets, along with three essays (originally delivered as the Alexander Lectures at the University of Toronto in 1974) on how this source material—lumped under the four headings of Homer, Shakespeare, aesthetic theory and political theory—found its way into his writings. Ellmann has devoted most of his enormously productive career as a critic and scholar to Joyce, and his erudition is both impressive and useful—as when he unearths the youthful fling with anarchism profiled above. But his style—heavy, pedantic, abstract in the worst sense—is, alas, enough to put off all but the most determined of readers.

Jeff Riggenbach teaches criticism at UCLA and practices it in a number of magazines, including LR, *where he is contributing editor.*

Rothbard revisited

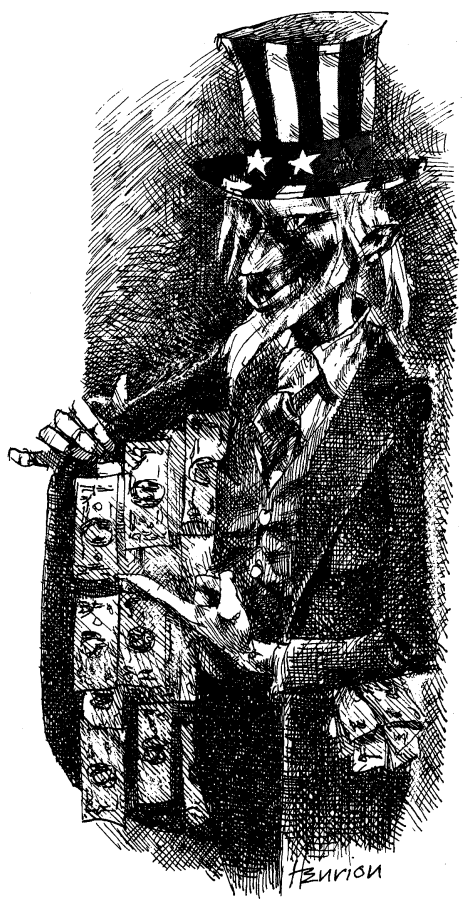
by Jack High

Man, Economy, and State, by Murray N. Rothbard. Sheed, Andrews, and McMeel, 984 pp., $12.

Certain works in economics demand the attention of all economists. Some books, like Smith's *Wealth of Nations* and Menger's *Principles*, require attention because they contribute something new and important to the science. Others, like Marshall's *Principles* and Keynes's *General Theory*, demand it because they exercised such great influence on economists; still others, like Wicksteed's *Common Sense* and Wieser's *Social Economics*, because of their unity and scope.

In *Man, Economy, and State*, Murray Rothbard has given us a book that falls into this third category. He has given us, in fact, a beautifully integrated treatise covering the whole of economics. This one-volume edition, just reprinted by Sheed, Andrews, and McMeel, follows prior printings in 1962 and 1970.

Rothbard begins his work by considering the fundamentals of human action, by asking what we mean by action and what can be universally predicated of action. Thus he derives the staples of the economist—choice, ends, means, consumption, production, utility, cost, exchange, and price. He also derives some ideas that are not usually stocked by economists, but should be—ideas like uncertainty, time-preference, and entrepreneurship.



Rothbard builds and illustrates his ideas by working from the simple to the complex. He first considers man acting in isolation, then in direct exchange markets, and finally in the complicated world of a monetary economy. All along the way, there is a careful, step-by-step construction of principles.

But Rothbard not only builds, he also dissects, criticizes, and compares. This book, more than any other in economics, gives careful consideration to opponents' ideas. It is the work of a man who has mastered not only the principles of his science, but its literature, past and present.

Two parts of Rothbard's work deserve special mention. The first is his utility theory. Ever since John Hick's claim that marginal utility rests on cardinal measurement of utility, economists have *explicitly* rejected the notion of marginal utility while *implicitly* retaining it in the derivatives of their utility functions. Rothbard convincingly refutes Hick's claim that marginal utility depends on the actual measurement of utility. He derives a concept of marginal utility that is purely ordinal, and restores the law of diminishing marginal utility to its rightful place in economic theory.

The other part of Rothbard's work that should be singled out is his theory of competitive price. Like many economists, Rothbard spurns the notion of perfect competition in favor of competition as a process whereby producers and consumers strive to satisfy their wants better. But unlike other economists, Rothbard maintains that all prices formed on the unhampered market are competitive prices. Under laissez-faire, there are no monopoly prices. This claim has obvious importance for antitrust policy, and economists should give it careful attention.

But more important than these particulars, it is the grand scope and striking unity of this work that needs to be stressed. *Man, Economy, and State* is an impressive edifice, a palace on an economic landscape dotted with huts. It brings together what the student too often sees as disconnected fragments. It is what science is supposed to be, a systematic body of knowledge.

Jack High is a graduate student in economics at UCLA.

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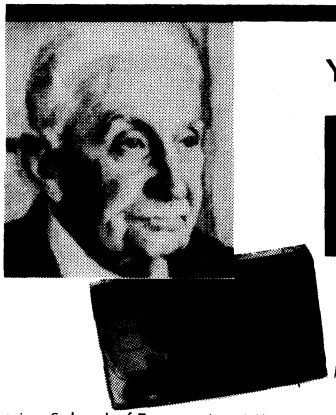

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